

**19th Meeting of the Advisory Expert Group on National Accounts,
20, 26 April and 10 May 2022, Remote Meeting**

Agenda item: 9

Structure of the 2025 SNA

Introduction

The attached note puts forward some proposals for changing the overall structure, the addition and the deletion of chapters in updating the 2008 SNA, to arrive at the 2025 SNA. In doing so, some more significant changes to the overall content of a limited number of chapters are also discussed. The latter changes do not relate to the adjustments to the conceptual framework as proposed in the various guidance notes.

Recommendations

- As issues around capturing well-being and sustainability are so critical in the debate on measuring societal progress, and the role of national accounts in this respect, it is proposed to give high prominence to these issues, by including a new chapter on national accounts and measures of well-being and sustainability in the 2025 SNA, directly after *Chapter 1. Introduction*. In addition, it is proposed to have more detailed discussions on both phenomena in two chapters, one dealing with well-being (chapter 34) and another one dealing with (environmental) sustainability.
- Digitalisation and globalisation are the two areas which have affected the conceptualisation, the compilation, and the interpretation of the system of national accounts most dramatically. Major developments have taken place in these areas, and lots of additional guidance has been developed since the endorsement of the 2008 SNA. They also constituted two priority areas on the research agenda for the update of the current SNA. For these reasons, it is proposed to add a separate chapter for each of these two areas (chapters 22 and 23), which consolidate the growing understanding of these phenomena, including their impact on the compilation and interpretation of (the main macro-economic indicators derived from) the system of national accounts.
- There has been some discussion on the positioning of supply and use tables (chapter 15 in the proposal for the 2025 SNA). All in all, it is proposed to keep the positioning of this chapter as is, while repositioning the chapter on population and labour inputs (Chapter 16 in the proposal for the 2025 SNA) directly after the chapter on supply and use tables, thereby refocusing the chapter on the compilation of labour accounts; and also moving the chapter on capital services (Chapter 17 on the proposal for the 2025 SNA) upwards, thereby refocusing the chapter on capital services only, by re-allocating the discussion on valuation to Chapter 13. In addition, it is proposed to pay more attention to the role of supply and use tables, labour accounts and capital services in the introductory chapters.
- Some other considerations regarding the structure and order of the chapters are included in Section 2.6 of the note, while some other more substantial changes to the current chapters are dealt with in Section 2.7.

The proposals for the (revised) structure of the 2025 SNA are summarised in Table 1 of the note.

Divergent views

The ISWGNA/TT-leads and the editorial team of the Balance of Payments Manual have been consulted on a previous version of the proposal for the structure of the 2025 SNA. The annex to this cover note contains an overview of the reflections on the main comments and suggestions made during these consultations.

Questions to AEG

The AEG is requested to reflect on the following questions:

- Do you agree with the proposal for including a new chapter on *National accounts and measures of well-being and sustainability* right at the start of the 2025 SNA (Chapter 2), with reference to a more detailed chapter on well-being, and one on sustainability further down?
- Do you agree with the inclusion of a chapter on digitalisation and one on globalisation in the 2025 SNA?
- Do you agree with the other proposals for (not) restructuring the chapters in the 2025 SNA?
- Do you agree with the various proposals on changing the content of chapters in the 2025 SNA?
- Would you have additional comments and suggestions?

Annex: Reflections on the comments and suggestions made on the proposal for a provisional structure of the 2025 SNA

On February 8, a short note with a proposal for a provisional structure of the 2025 SNA was sent, for consultation, to the ISWGNA and TT-leads. Several people provided feedback: Sarah Barahona, Michael Connolly, Celestino Giron, Sanjiv Mahajan, Jim Tebrake (which included feedback from the IMF BOP team), and John Verrinder. At various stages in the process, Pete Harper and Herman Smith also provided valuable input. A new revised version of the proposal has been finalised on March 25. This short note contains some reflections on the main comments and suggestions, with a focus on those that haven't been taken on board.

1. Overall structure

Several people were attracted by the idea of including an overall structure, which groups together related chapters, if only to accommodate the discussion on the order and structure of the SNA. This proposal has been included, by grouping the chapters into “main headings”.

Views were also expressed regarding the order of the main headings (and some chapters), for example having the more extensive chapters on institutional sectors before cross-cutting issues, or to place the chapters on labour accounts and capital services further downwards, as being part of supplementary tables.

It was not possible to reflect these, sometimes conflicting, views. The final proposal for the structure has a particular logic. After some introductory chapters, the main foundations of the SNA are followed by chapters on the “core accounts”. In doing so, labour accounts and capital services are also considered as being part of the “core”; see also below. The next main heading discusses cross-cutting issues, which are particularly relevant for understanding the recording of certain phenomena in the “core”, thus supporting the user by bringing together guidance, which are spread over the chapters for the various accounts. The next main heading is the one on institutional sectors, which also includes supplementary material which is not directly relevant for the “core”. Finally, leaving apart the annexes, extended and thematic accounts and tables are dealt with.

2. Financial corporations and financial instruments

Several people addressed issues in relation to the inclusion and separation of chapters on financial corporations and financial instruments. In the latest proposal, these comments have been taken on board as much as possible. The current version includes the following (new) chapters:

- *Chapter 24. Insurance and pensions*, representing parts 1 and 2 of chapter 17 in the 2008 SNA.
- *Chapter 25. Specificities of certain financial instruments*, representing parts 3, 4 and 6 of chapter 17 in the 2008 SNA
- *Chapter 26. Islamic finance* (new chapter)
- *Chapter 29. Financial corporations* (new chapter)
- *Chapter 37. From-whom-to-whom tables*, representing chapter 27 of the 2008 SNA with a revised focus and content.

3. Moving upwards the chapter on supply and use tables

Some comments and suggestions were related to the allocation of the chapter on supply and use tables. Given the importance of supply and use tables in the compilation of national accounts it was proposed to allocate this chapter much more upfront.

This request has not been included in the latest proposals, for a number of reasons:

- It would interrupt the logical flow of the SNA. Chapters 7 – 14 (in the proposed structure for the 2025 SNA) deal with the main economic accounts, following on from the chapters dealing with the key conceptual principles. Supply and use tables are definitely important from a compilation perspective, but one could see them as an elaboration of the production/generation of income accounts rather than as one of the economic accounts in their own right.
- One could also argue that putting more emphasis on supply and use tables would convey the message of being too “production-centric”, i.e. resulting in an overemphasis on the production account/GDP by both compilers and users, with the income, capital, financial accounts and balance sheets often being perceived as being of lesser importance. This is to the detriment of the usefulness of the complete set of national accounts for policy relevance for macro-economic issues that transcend those solely related to production (e.g. the role of income in well-being, the importance of capital in the sustainability of production and the key part that financial transactions and positions play in maintaining financial stability).
- Moreover, the latest proposal contains a nice grouping together of the chapters which mainly focus on industry-based data: supply and use tables, labour accounts, and capital services.

Having said that, it is recognised that the role of supply and use tables in (the compilation of) national accounts should be addressed more prominently in the introductory chapters and/or the chapters on the main foundations.

4. Moving upwards the chapter on prices and volumes, and the inclusion of a section on productivity

As in the case of supply and use tables, some people suggested to reallocate the chapter on price and volume measures (significantly) upwards, in view of the importance of these measures in disseminating and communicating national accounts’ results.

This suggestion has not been adopted in the latest proposal, mainly because explaining price and volume measures in detail, before having addressed the system of national accounts as a whole, would be detrimental to the conceptual flow of the document. Price and volume measures are of course important, but this importance can be noted without bringing the chapter forward. One way to do this would be to include some overview material on prices and volumes in the introductory chapters and/or the chapters on the main foundations.

There was conflicting views on the inclusion of material on productivity measures. There is consensus that a separate chapter on this topic is not warranted, but to have a section which, in a concise way, discusses the main concepts around productivity measures, with references to more detailed material in various existing manuals, seems a good way to address this white spot in the current SNA.

5. Moving upwards the chapter on integrating and presenting the accounts

It was also suggested to move the chapter on integrating and presenting the accounts (chapter 19 in the proposal for the 2025 SNA) upwards. This has not been reflected in the latest proposal. In this respect, it should be noted that chapter on the overview of economic accounts (chapter 3 in the proposal for the 2025 SNA) already includes similar material. As it stands now in the proposed structure for the 2025 SNA, this overlap might be considered fine, as the two chapters “bookend” the core of the SNA in chapters 4 – 18. It may be needed, however, to see whether unnecessary overlaps can be avoided, and how to best distribute the relevant material across the two relevant chapters. Moreover, the proposal to include material on balancing has been reflected in the latest proposal, by having an additional section in the chapter on integrating and presenting the accounts. The proposal to include a graphical representation of the whole system of national accounts will also be taken on board.

6. Removing the chapters on institutional units and sectors

It was also suggested to explore the option of removing the chapters on institutional sectors, as these chapters contain some duplication of information already in previous chapters, in particular the current chapter 5 on institutional units and sectors. It was also noted that these chapters are intended to draw the link between the SNA and the GFS, MFS, and BPM, which may no longer be needed in the future when the manuals will be digitally linked. In respect of the latter, it was suggested to conduct a review with GFS, MFS and BPM compilers regarding what content in these chapters could be removed and linked to the domain-specific manuals and what should be retained either in shortened chapters or elsewhere in the SNA.

This suggestion has not been adopted, as these chapters provide an excellent platform for the discussion of several topics which are of special relevance for a certain sector. Including such topics in the chapter on institutional units and sectors would make the latter chapter very long and detailed. The separate chapters also provide a perfect place to explain, in a concise way, the links between the SNA and the other manuals, as well as the link with business accounting standards. Moreover, some of the issues discussed in these chapters are cross cutting and as such, do not readily fit into the account-by-account structure that is used to explain the “core accounts”. The proposal to streamline the chapters in the SNA, and to also streamline the links to other manuals, is fully supported.

7. Other comments and suggestions

Finally, some reflections on other comment and suggestions:

- Including a chapter on communicating the accounts: A new chapter (chapter 21 in the proposal for the 2025 SNA) has been included.
- Paying more attention to the relationship between international standards for macro-economic standards: Apart from including more text in the introductory chapters, and the relevant chapters on institutional sectors, it is proposed to provide more detailed material in Annex 1 of the proposal for the structure of the 2025.
- Including an introductory chapter at the start of the main heading on extended and thematic accounts and tables: In relation to this proposal, it was also suggested to move the chapter on thematic accounts (chapter 38 in the proposal for the 2025 SNA) to the start of the main heading. It may indeed be useful to have an introductory chapter, although not by moving chapter 38, which contains rather specific material on extended accounts for certain themes. All in all, for the time being, the suggestion has not been reflected in the current proposal,

although the idea of adding an introductory chapter, or simply a short introduction, on the concept of extended and thematic accounts will be reconsidered at a later stage in the process.

- Allocating the chapter on from-whom-to-whom tables under the main heading on the structure of the framework and the sequence of economic accounts: One could indeed look upon these tables as a part of the “core”. However, for the time being, the chapter is still placed under the main heading on extended and thematic accounts and tables, mainly because it thus provides more room for additional text on e.g. alternative types of analysis. Moreover, in the current story-flow of the “core accounts”, there is no obvious place for these tables.
- Moving the chapter on informal activities upwards: It was noted that, given the importance of informal activities, placing this chapter as the last one in the 2025 SNA sends the wrong signal. Although this may be the case, the allocation of the chapter has not (yet) been changed. Taking into account the current information included in the chapter, it makes sense to allocate this chapter to the main heading on extended and thematic accounts and tables. One could consider swapping chapters 38 and 39, but moving the chapter more upwards can not be justified. An alternative is to move the chapter to cross-cutting issues, but this may be less logical given the current content.
- Changing the titles of the chapters on digitalisation and globalisation to *Digital activity accounts and supplementary tables*, and *Global activity accounts and supplementary tables* (or *MNE activity accounts and supplementary tables*): This suggestion is also related to the focus of the relevant chapters, and whether these chapters are to be considered as part of cross-cutting issues, or as part of extended and thematic accounts and tables. As it stands now, two main issues will be discussed in these chapters, i.e., (i) how the phenomena of digitalisation and globalisation affect the recording, compilation and interpretation of the “core accounts”; and (ii) how alternative types of analysis and more detailed breakdowns, some of which are also included in the “core” accounts, can address some of the concerns. For the time being, the titles have not been changed, although this can be implemented relatively easy at a later stage.
- Changing the title of *Chapter 37. From-whom-to-whom tables* to *Financial Statistics or Intersectorial Financial Positions and Flows*: This suggestion has not been included, because the former alternative title is too broad, while the latter title does not properly represent the general nature of FWTW-tables which also include such tables for current and capital transactions.

A Proposal for the Provisional Structure of the 2025 SNA

By: Peter van de Ven, Lead editor of the
update of the 2008 SNA¹

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¹ The author would like to thank Sarah Barahona (OECD), Michael Connolly (CSO Ireland), Celestino Giron (ECB), Pete Harper (project manager of the update of the 2008 SNA), Sanjiv Mahajan (UK ONS), Herman Smith (UNSD), Jim Tebrake and other colleagues from the IMF, and John Verrinder (Eurostat) for their valuable comments and suggestions on previous versions of this note.

Section 1. Introduction

1. This note puts forward some proposals for changing the overall structure, the addition and the deletion of chapters in updating the 2008 SNA, to arrive at the 2025 SNA. In doing so, some more significant changes to the overall content of a limited number of chapters are also discussed. The latter changes do not relate to the adjustments to the conceptual framework as proposed in the various guidance notes.
2. All proposals in this note start from the assumption that a physical product like the 2008 SNA, is being envisaged. In this respect, it should be mentioned that it has already been agreed to also compile a digital version of the SNA, the precise content of which still needs to be further elaborated. It is clear, however, that the order and structure of chapters in such a digital version would become less relevant.
3. By way of introduction, it should also be mentioned explicitly that an important goal in redrafting the SNA is to arrive, as far as possible, at maximum alignment with the revised draft of the Balance of Payments Manual (BPM). The planning for the finalisation of both standards is more or less aligned, with the objective to finalise the updated versions for final endorsement in the beginning of 2025. A more detailed time schedule and a process for maximum collaboration are being put in place. It is also envisaged to actively involve stakeholders of other manuals and standards for macro-economic statistics, such as the Government Finance Statistics Manual (GFSM), the Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG), and the System for Environmental-Economic Accounting (SEEA). In these cases, however, the process is less critical, because the timelines for updating the latter manuals and standards are different from those of the SNA and the BPM.
4. Arriving at a common position on the structure of the 2025 SNA in the short term is important as it will help to organise the editing process of the SNA in a clear and transparent way. It will also assist the allocation of work to the members of the editorial team and the planning of the drafting process. Following the agreement on the provisional structure, more detailed outlines will be prepared, in concert with the editorial team of BPM7.
5. Section 2 addresses the main rationale for the proposals to change the order and structure of the current SNA. This is followed, in Section 3, with a consolidated proposal for the structure of the 2025 SNA, as compared to the structure of the 2008 SNA, and some concrete requests for feedback from the Inter Secretariat Working Group on National Accounts (ISWGNA) and the Advisory Expert Group (AEG) on National Accounts.

Section 2. Main rationale for the proposals to change the structure of the SNA

2.1 Introduction

6. This section discusses the main proposals for reordering and restructuring the chapters of the current SNA, including the rationale for these proposals. The section starts, in Sub-section 2.2, with a proposal to introduce an overarching structure of “main headings” to the chapters in the SNA. Such a structure can also be helpful in discussing the allocation of the various chapters. Sub-section 2.3 includes a short discussion on how to deal with well-being and sustainability in a much more

explicit way. The aim is to explain the link between the system of national accounts, including the macro-economic aggregates that can be derived from this system, and the notions of well-being and sustainability, thus explicitly acknowledging the increasing role of these phenomena in policy and research. This is followed, in Subsection 2.4, by a proposal for the inclusion of new chapters on digitalisation and globalisation. Sub-section 2.5 deals with the structuring of the chapters on supply and use tables, labour accounts and capital services, while Sub-section 2.6 summarises some other considerations regarding the order and structure of chapters. Sub-section 2.7 ends this section with some more significant content-related changes to the chapters, which have not been addressed in the preceding sub-sections.

2.2 Introducing an overarching structure to the SNA

7. Although not mentioned explicitly, the 2008 SNA includes a certain grouping of chapters. Including more explicit references to such an overarching structure into “main headings” can be a helpful guide for users to understand the logic of what is addressed in the SNA. Such a grouping of chapters can also help to better frame the discussion on the provisional structure of the 2025 SNA.
8. For the time being, and also taking into accounts the proposals for the structure of the 2025 SNA, it is proposed to include the following main headings, with between brackets the relevant chapters in the 2008 SNA:
 - A. Introduction and overview (chapters 1 – 2)
 - B. The main foundations (chapters 3 – 5)
 - C. Structure of the framework and the sequence of economic accounts (chapters 6 – 16, and chapters 18 - 20)
 - D. Cross-cutting issues (chapter 17)
 - E. Institutional units and sectors in more detail (chapters 21 – 24, and chapter 26)
 - F. Extended and thematic accounts and tables (chapter 25, and chapters 27 – 29)
 - G. Supplementary material (annexes 1 – 4)

2.3 Well-being and sustainability

9. Issues around well-being and sustainability have become more prominent in discussing the role and composition of the national accounts, and what the SNA measures or, more importantly, what it does not measure. In the research agenda, five issues have resulted, or will result, in guidance notes addressing issues related to well-being and sustainability: (i) environmental-economic accounting (various specific guidance notes); (ii) distribution of income, consumption, saving and wealth; (iii) unpaid household activities; (iv) education and human capital; and (v) health and social welfare.
10. As these issues are so critical in the debate on measuring societal progress, and the role of national accounts in this respect, it is proposed to give high prominence to issues related to well-being and sustainability, by including a new chapter on national accounts and measures of well-being and sustainability in the 2025 SNA, directly after *Chapter 1. Introduction*. Given that one of the popular (if uninformed) criticisms of the SNA is that it has little to say about well-being and sustainability, this will significantly contribute to reducing the risk of inadvertently reinforcing the perception that these issues are of relatively minor importance. In doing so, one may need to revise and/or reallocate parts of the current Section G and H of Chapter 1. The new Chapter 2 would start with a more general discussion on the SNA and measures of welfare, or more generally, well-being and

sustainability, followed by the introduction of a broader framework of national accounts. For more details, reference would be made to two additional chapters on well-being and (environmental) sustainability, to be allocated further down in the 2025 SNA, under the main heading *Extended and thematic accounts and tables*.

11. The new chapter on well-being (Chapter 34 in the proposal for the 2025 SNA) would first and foremost present a consolidated overview of the outcomes included in the guidance notes listed in paragraph 9, excluding the ones on environmental-economic accounting. Importantly, the section should include a comprehensive discussion of the concept of well-being and the alternative approaches and methods to measure it. The main recommendations in the Stiglitz-Sen-Fitoussi reports could be used as a starting point. After the general discussion, the chapter could focus on the potential of including extended accounts for the four areas of the SNA research agenda, to arrive at a better understanding of developments in well-being, and a separate suite of measures for well-being to complement the national accounts aggregates.
12. The new chapter on sustainability (Chapter 35 in the proposal for the 2025 SNA) would start with a more general discussion on monitoring sustainability, using the capital approach (economic capital, human capital, social capital, and environmental capital). As such, it would also include cross-references to the Guidance Note on education and human capital. This general discussion is then followed by a description of how one can account for the environment, how the SNA framework accounts for natural resources, including new conceptual developments in the accounting for mineral and energy resources, biological resources, emission permits and the like. Importantly, it would also emphasise what is not included in the system of national accounts. Obviously, it should also explain in quite some detail the links between the SNA on the one hand, and SEEA Central Framework and SEEA Ecosystem Accounting on the other hand, including the ways in which the SEEA systems can address concerns around accounting for environmental sustainability.
13. Some of the above elements are already included in the text of the current *Chapter 29. Satellite accounts and other extensions*; see Section F, parts 2 – 4. These can now be included, in a revised form, in the new chapter on well-being. As a consequence, it is proposed to focus the current Chapter 29 on thematic (satellite) accounts (Chapter 38 in the proposal for the 2025 SNA).
14. Moreover, significant parts on distribution of household income, consumption, saving and wealth are already included in the chapters covering the SNA framework, and more extensively, in the current *Chapter 24. The households sector* (Chapter 32 in the proposal for the 2025 SNA). Further research is needed on where to address what. Probably, it works best to have a relatively concise section in the new chapter on well-being, with references to more details to be included in existing chapters.
15. The new chapters on well-being and sustainability address some of the most important criticisms and concerns about the system of national accounts and the main macroeconomic indicators that can be derived from this system. It is therefore proposed, in addition to having a new chapter with a consolidated overview directly following *Chapter 1. Introduction* (see above), to position the two chapters with more details at the start of main heading *Extended and thematic accounts and tables*.

2.4 Digitalisation and globalisation

16. Digitalisation and globalisation are the two areas which have affected the conceptualisation, the compilation, and the interpretation of the system of national accounts most dramatically. Major developments have taken place in these areas, and lots of additional guidance has been developed since the endorsement of the 2008 SNA. They also constituted two priority areas on the research agenda for the update of the current SNA. It therefore seems warranted to add a separate chapter for each of these two areas, which consolidate the growing understanding of these phenomena, including their impact on the compilation and interpretation of (the main macro-economic indicators derived from) the system of national accounts.
17. The chapter on digitalisation (Chapter 22 in the proposal for the 2025 SNA) could focus on the recording of recently emerged phenomena, such as digital intermediary platforms (Uber, Booking.com, AirBNB, etc.), “free” services (Internet, Facebook, Instagram, etc.), crypto assets, the accounting for (the role of) data, e-commerce, and the like. It would also address the compilation of supplementary tables such as digital supply and use tables, to better monitor the impact of the digitalisation of the economy.
18. The chapter on globalisation (Chapter 23 in the proposal for the 2025 SNA) could provide a consolidated overview of the newly established guidance on global production arrangements, the role of special purpose entities (SPEs), the impact of the minimisation of the global tax burden, etc. Importantly, it should also deal with the problems one is faced with when interpreting domestic developments, including breaking out transactions and positions of multinational enterprises. The chapter would also include alternative types of analysis such as Global Value Chains, Trade in Value Added and the consolidation of corporate activities using the “nationality” perspective.
19. Given the proposed content of these two chapters, one could argue whether they fit best in the main heading which deals with cross-cutting issues, or an allocation to the main heading on extended and thematic accounts and tables is more warranted. Assuming that most of the material in these chapters will have a direct relationship with the recording of transactions and positions in the SNA, including the interpretation of the results for main macro-economic indicators, a positioning close to the chapters covering the conceptual framework of the SNA, as part of the main heading on cross-cutting issues, seems to be preferable.
20. Finally, it goes without saying that issues related to digitalisation and globalisation will also affect the guidance provided in the chapter describing the conceptual framework of the SNA. This is not further elaborated in this note.

2.5 The positioning of the chapters on supply and use tables, labour accounts and capital services

21. One may want to reconsider the positioning of the chapter on supply and use tables. Currently, this topic is dealt with in *Chapter 14. The supply and use tables and goods and services account*. Looking at the actual practice of compiling national accounts, one could argue that supply and use tables warrant a more prominent place, e.g., immediately after the current *Chapter 5. Enterprises, establishments and industries*, just before the current *Chapter 6. The production account*. Also from a more conceptual point of view, one could argue in favour of such a restructuring, as supply and use tables provide a more detailed description of the goods and services accounts and the

production account, which is also the starting point of institutional sector accounts. The link between industries and institutional sectors would thus become more logical.

22. On the other hand, however, replacing supply and use tables would have a negative impact on the logic of the “story-telling” of the whole system, certainly if one takes into account proposals to give more prominence to labour accounts, which are currently dealt with in *Chapter 19. Population and labour inputs*.
23. All in all, it is proposed here to keep the positioning of supply and use tables as is (chapter 15 in the proposal for the 2025 SNA), while repositioning the chapter on population and labour inputs (Chapter 16 in the proposal for the 2025 SNA) directly after the chapter on supply and use tables, thereby refocusing the chapter on the compilation of labour accounts. The relatively minor part on population, currently half a page, could feature more prominently in Section G of Chapter 4 in the 2008 SNA (chapter 5 in the proposal for the 2025 SNA), which deals with the household sector. Alternatively, one could also reallocate this to Section C of Chapter 16 of the 2008 SNA (Chapter 19 in the proposal for the 2025 SNA), dealing with macro-economic aggregates that can be derived for the SNA; and/or to Chapter 18 of the 2008 SNA (Chapter 20 in the proposal for the 2025 SNA), by including a discussion on main aggregates per capita in this chapter. In respect of the latter, it is also proposed to pay more attention to per capita aggregates in the introductory chapters (most probably chapter 3 in the 2025 SNA).
24. In addition to the above, it is proposed to also move the current *Chapter 20. Capital Services and the national accounts* (Chapter 17 in the proposal for the 2025 SNA) upwards, keeping it directly after the chapter on labour accounts. One would thus arrive at a more logical structure of grouping together supply and use tables, labour inputs and capital inputs, all of which concern tables which primarily focus on breakdowns by industries, instead of institutional sectors. Currently, the chapter on capital services mainly contains a discussion of two topics, one concerning the valuation of non-financial assets, and another one concerning the concept of capital services. The first topic is highly relevant for the SNA framework, even more so if one takes into consideration the discussions, as part of the SNA research agenda, around the valuation principles and methodologies. Here, it is proposed to add the (updated) text on valuation as an annex to the current *Chapter 13. The balance sheet* (Chapter 14 in the proposal for the 2025 SNA), and restricting the new chapter 17 to capital services per se.
25. Finally, it is proposed to pay more attention to the role of supply and use tables, labour accounts and capital services in the introductory chapters, especially but very succinctly in Section B of Chapter 1, and more extensively in Section D of Chapter 2 in the 2008 SNA (Chapter 3 in the proposal for the 2025 SNA).

2.6 Other consideration regarding the structure and the order of chapters

26. The order of the current chapters 6 to 13 (chapters 7 to 14 in the proposal for the 2025 SNA), dealing with the system of institutional sector accounts, followed by the above chapters on supply and use tables, labour accounts and capital services looks quite logical. Some have argued to put the current *Chapter 15. Price and volume measures* much more upfront, given the prominence of volume measures in the communication of results from national accounts. Here, it is proposed not to change the allocation of this chapter, as it would break the “story-telling” of the system as a whole, which basically starts with the current price estimates. On the other hand, it is also clear

that much more attention should be paid to volume and price measures in the introductory chapters. Chapter 1 looks like the perfect candidate.

27. In addition, it is proposed to revisit the contents of the chapter on *cross-cutting and other special issues* (Chapter 17 in the 2008 SNA), and to consider splitting the current, quite lengthy, chapter into a number of separate chapters. When it comes to revisiting the content, one could question, for example, the value added of Part 4 on the recording of flows associated with financial assets and liabilities. This part could potentially be restricted to certain more problematic topics, such as the treatment of different types of (debt) securities, and grouped together with Part 3 on standardized guarantees and Part 6 on employee stock options, thus arriving at one consolidated part on specific issues concerning financial instruments. More generally, one may want to reconsider the addition of other cross-cutting issues. In this respect, the guidance developed for the treatment of Islamic finance may be a good candidate for addition. As it stands now, it is proposed to have the following chapters on cross-cutting issues in the 2025 SNA, in addition to the ones on digitalisation and globalisation mentioned in the above:
- *Chapter 24. Insurance and pensions (Part 1 and 2 of chapter 17 in the 2008 SNA, moved downwards)*
 - *Chapter 25. Specificities of certain financial instruments (Part 3, 4 and 6 of chapter 17 in the 2008 SNA, moved downwards)*
 - *Chapter 26. Islamic finance (new chapter)*
 - *Chapter 27. Contract, leases, licenses and permits (Part 5 of chapter 17 in the 2008 SNA, moved downwards)*
28. Furthermore, the SNA currently includes a chapter on measuring corporate activity (chapter 21 in the 2008 SNA). Several people providing feedback on a previous version of this note have proposed to split this chapter into two, one chapter on non-financial corporations, and another one on financial corporations, mainly because the behaviour, data sources, reporting systems, analysis and research of these two types of corporations differ considerably from each other. In the proposal for the provisional structure of the 2025 SNA, this proposal for a separate chapter on financial corporations has been included; see chapter 29 in the proposal for the 2025 SNA.
29. Related to the previous proposal, one could also question the value added of having the current *Chapter 27. Links to monetary statistics and the flow of funds*. As it stands now, the main additional contribution of this chapter relates to the introduction of the concept of “flow of funds”, nowadays often referred to as “from-whom-to-whom” tables. Here, it is proposed to remove the current chapter 27, and to introduce a new chapter 37 on matrix-based presentations of institutional sector accounts. This chapter would broaden the concept of from-whom-to-whom tables beyond financial transactions and positions, to income and capital transactions. It could also deal with new types of analysis on capturing financial risks and vulnerabilities, and the balance sheet approach, as developed by the IMF. The link to monetary and financial statistics could then be further elaborated in the new chapter on financial corporations, and the newly introduced Annex 1 on international standards for macro-economic statistics, and the links with the SNA.
30. Furthermore, in view of the outcomes of the guidance provided by the Communications Task Team, one may want to add a new chapter on communication and dissemination. Looking at the current guidance, two topics seem to be highly relevant here: (i) the terminology for revisions of estimates and the status of statistics (official statistics versus experimental estimates), including the various types of additional accounts and tables; and (ii) the assessment of the alignment of a

country's national accounts with the international standards. Other topics on communication aspects may need to be covered as well. For the time being, the chapter has been positioned right after the chapter on elaborating the accounts (chapter 20 in the proposal for the 2025 SNA). However, one could also consider a more prominent place further upfront.

31. Finally, in the structure of chapters proposed below, the current *Chapter 25. Informal aspects of the economy* has, for the time being, been positioned at the end, instead of directly after the current *Chapter 24. The households sector* (Chapter 29 in the proposal for the 2025 SNA). The positioning in the 2008 SNA may have been motivated by the fact that, depending on the definition of the informal economy, many of these activities take place within the households sector. However, this certainly is not always the case. Furthermore, the current positioning breaks the logic of discussing the various types of units: corporations, government, non-profit institutions, households, and (transactions and positions between residents and) non-residents. Here, it is proposed, at least for the time being, to move the chapter on informal aspects of the economy to the end (Chapter 39 in the proposal for the 2025 SNA).

2.7 Other more substantial changes to the current chapters

32. In the above, some more significant content-related changes have also been put forward for some chapters, in addition to changes in the order and structure of the chapters. Here, a limited number of other general observations for changing the current SNA are listed. The first one relates to *Chapter 1. Introduction*. Apart from the considerations around well-being and sustainability (see Sub-section 2.3) and the proposal to give more prominence to volume and price measures at the start of the SNA (see Sub-section 2.6), it is proposed to add concise text on the basic identities of the system (to be further elaborated in *Chapter 3. The overview of economic accounts* of the proposal for the 2025 SNA); to give more attention to net measures than currently included in the 2008 SNA; to provide concise information on the links with other statistical standards and manuals; and also to the links with business and public sector accounting standards. The first two topics would probably lead to the introduction of additional sections, while the latter two topics could be addressed by further extending of the current text of Sections E and F, with appropriate references to more details in the relevant chapters. Finally, it is proposed to conclude this chapter with a concise reader's guide on what to find where in the SNA².
33. Secondly, the 2008 SNA provides hardly any guidance on productivity measurement, which is rather surprising given the prominence of indicators related to developments in productivity in policy and research. Here, it is proposed to add a section to the chapter on *price and volume measures* (Chapter 15 in the 2008 SNA and Chapter 18 in the proposal for the 2025 SNA). The new section could provide a summary on the measurement of labour and multifactor productivity, with references to already available, much more detailed, guidance.
34. Thirdly, it is proposed to add text on balancing the accounts to the current chapter on summarising and integrating the accounts (Chapter 16 in the 2008 SNA and Chapter 19 in the proposal for the 2025 SNA). Whether it is preferable to include this topic in a separate section, or to have it combined with other text at the start of the chapter remains to be seen. The additional text should

² In addition, one may want to consider adding introductory chapters to one or more of the main headings. It is, for example, proposed to have an introductory chapter for the main heading on extended and thematic accounts, but it may be relevant for other heading as well.

focus on the main identities in the system of national accounts, and how these identities can be used to arrive at consistent estimates.

35. Fourthly, the current chapter on *elaborating and presenting the accounts* (Chapter 18 in the 2008 SNA and Chapter 20 in the proposal for the 2025 SNA) looks as a hotchpot of topics not covered in other chapters. It is therefore proposed to review the current text quite significantly, and to cover the following topics, in a (much) more elaborated way than currently done, in this chapter: (i) temporal disaggregation; (ii) territorial disaggregation; and (iii) regular and benchmark revisions, and the compilation of time series data. More generally, when it comes to these topics, it is necessary to pay much more attention to institutional sector accounts. Finally, in line with the proposal for revising the chapter, it is proposed to remove Section C, and include relevant content of this section in the chapter on price and volume measures, and to also remove Section F.
36. Fifthly, the current *Chapter 29. Satellite accounts and other extensions* (to be changed to *Chapter 37. Thematic (satellite) accounts* in the proposal for the 2025 SNA) also contains a section on functional classifications (Section B). It is proposed to integrate this text in Annex 1 on the classification hierarchies of the SNA (annex 2 in the proposal for the 2025 SNA). One may also consider more substantial text on functional classifications in the chapters on government and households (Chapters 28 and 30 in the proposal for the 2025 SNA), and other chapters, if needed.
37. Finally, it is considered of the utmost importance to include clear text on the relationship between and the consistency of the various international standards for compiling macro-economic statistics. In the current proposal for the provisional structure of the 2025 SNA, this topic will be discussed, succinctly, in chapter 1, while more detailed text will also be included in the various chapters on institutional sectors (MFSMCG, GFSM, and BPM), and the chapter on sustainability (SEEA). In addition, given the importance of showing the interrelationships to producers as well as users, it is proposed to have a separate annex (annex 1 in the proposal for the 2025 SNA), which will discuss the relationships and the consistency between the various international standards for macro-economic statistics.

Section 3. Proposal for the structure of chapters in the 2025 SNA

38. A consolidated proposals for the provisional structure of the 2025 SNA is presented in Table 1, on the following pages. In the first column of this table, the chapters of the 2008 SNA are shown, while the second column contains the proposal for the chapters in the 2025 SNA. The current order of chapters is used as a starting point.
39. The Inter Secretariat Working Group on National Accounts (ISWGNA) and the Advisory Expert Group (AEG) on National Accounts are requested to provide feedback on the following issues:
 - Do you agree with the proposal for including a new chapter on *National accounts and measures of well-being and sustainability* right at the start of the 2025 SNA (Chapter 2), with reference to a more detailed chapter on well-being, and one on sustainability further down?
 - Do you agree with the inclusion of a chapter on digitalisation and one on globalisation in the 2025 SNA?

- Do you agree with the other proposals for (not) restructuring the chapters in the 2025 SNA?
- Do you agree with the various proposals on changing the content of chapters in the 2025 SNA?
- Would you have additional comments and suggestions?

Table 1. Proposal for the overall structure of the 2025 SNA

The structure of the 2008 SNA	The proposed structure for the 2025 SNA
	<i>A. Introduction and overview</i>
<i>Chapter 1. Introduction</i>	<i>Chapter 1. Introduction (revised content)</i>
	<i>Chapter 2. National accounts and measures of well-being and environmental sustainability (new chapter)</i>
<i>Chapter 2. Overview</i>	<i>Chapter 3. Overview of the economic accounts (revised title)</i>
	<i>B. The main foundations</i>
<i>Chapter 3. Stocks, flows and accounting rules</i>	<i>Chapter 4. Stocks, flows and accounting rules</i>
<i>Chapter 4. Institutional units and sectors</i>	<i>Chapter 5. Institutional units and sectors</i>
<i>Chapter 5. Enterprises, establishments and industries</i>	<i>Chapter 6. Enterprises, establishments and industries</i>
	<i>C. Structure of the framework and the sequence of economic accounts</i>
<i>Chapter 6. The production account</i>	<i>Chapter 7. The production account</i>
<i>Chapter 7. The distribution of income accounts</i>	<i>Chapter 8. The distribution of income accounts³</i>
<i>Chapter 8. The redistribution of income accounts</i>	<i>Chapter 9. The redistribution of income accounts⁴</i>
<i>Chapter 9. The use of income accounts</i>	<i>Chapter 10. The use of income accounts</i>
<i>Chapter 10. The capital account</i>	<i>Chapter 11. The capital account</i>
<i>Chapter 11. The financial account</i>	<i>Chapter 12. The financial account</i>
<i>Chapter 12. The other changes in assets account</i>	<i>Chapter 13. The other changes in assets account</i>
<i>Chapter 13. The balance sheet</i>	<i>Chapter 14. The balance sheet</i>
<i>Chapter 14. The supply and use tables and goods and services account</i>	<i>Chapter 15. The supply and use tables (revised title)</i>
	<i>Chapter 16. Labour accounts (chapter 19 in the 2008 SNA, moved upwards, revised title and revised content)</i>
	<i>Chapter 17. Capital services (chapter 20 in the 2008 SNA, moved upwards, revised title and revised content)</i>
<i>Chapter 15. Price and volume measures</i>	<i>Chapter 18. Measuring prices, volumes and productivity (revised title and revised content)</i>
<i>Chapter 16. Summarizing and integrating the accounts</i>	<i>Chapter 19. Summarizing, integrating and balancing the accounts (revised title and revised content)</i>
<i>Chapter 17. Cross-cutting and other special issues</i>	<i>[See Chapters 23 - 25 below]</i>
<i>Chapter 18. Elaborating and presenting the accounts</i>	<i>Chapter 20. Elaborating the accounts (moved upwards, revised title and revised content)</i>
	<i>Chapter 21. Communicating the accounts (new chapter)</i>
<i>Chapter 19. Labour accounts and population</i>	<i>[See Chapter 16 above]</i>

³ In view of the outcomes of the recommendations in Guidance Note CM.2 Terminology and Branding of the Economic Accounting Standards, the title of this chapter may be changed to "(allocation of) accrued income account".

⁴ In view of the outcomes of the recommendations in Guidance Note CM.2 Terminology and Branding of the Economic Accounting Standards, the title of this chapter may be changed to "transfer income account".

<i>Chapter 20. Capital services and the national accounts</i>	<i>[See Chapter 17 above]</i>
	<i>D. Cross-cutting issues</i>
	<i>Chapter 22. Digitalisation (new chapter)</i>
	<i>Chapter 23. Globalisation (new chapter)</i>
	<i>Chapter 24. Insurance and pensions (Parts 1 and 2 of chapter 17 in the 2008 SNA, moved downwards)</i>
	<i>Chapter 25. Specificities of certain financial instruments (Parts 3, 4 and 6 of chapter 17 in the 2008 SNA, moved downwards)</i>
	<i>Chapter 26. Islamic finance (new chapter)</i>
	<i>Chapter 27. Contracts, leases, licenses and permits (Part 5 of chapter 17 in the 2008 SNA, moved downwards)</i>
	<i>E. Institutional units and sectors in more detail</i>
<i>Chapter 21. Measuring corporate activity</i>	<i>Chapter 28. Non-financial corporations (revised title and revised content)</i>
	<i>Chapter 29. Financial corporations (new chapter)</i>
<i>Chapter 22. The general government and public sectors</i>	<i>Chapter 30. General government and the public sector (revised title)</i>
<i>Chapter 23. Non-profit institutions</i>	<i>Chapter 31. Non-profit institutions</i>
<i>Chapter 24. The households sector</i>	<i>Chapter 32. Households (revised title and revised content)</i>
<i>Chapter 25. Informal aspects of the economy</i>	<i>[See Chapter 39 below]</i>
<i>Chapter 26. The rest of the world accounts and links to the balance of payments</i>	<i>Chapter 33. Transactions between residents and non-residents (moved upwards, revised title)</i>
	<i>F. Extended and thematic accounts and tables</i>
	<i>Chapter 34. Measuring well-being (new chapter)</i>
	<i>Chapter 35. Measuring sustainability (new chapter)</i>
<i>Chapter 27. Links to monetary statistics and the flow of funds</i>	<i>[See Chapter 37 below]</i>
<i>Chapter 28. Input-output and other matrix based analyses</i>	<i>Chapter 36. Input-output tables (moved upwards, revised title and revised content)</i>
	<i>Chapter 37. From-whom-to-whom tables (chapter 27 of the 2008 SNA, moved downwards, revised title and revised content)</i>
<i>Chapter 29. Satellite accounts and other extensions</i>	<i>Chapter 38. Thematic accounts (moved upwards, revised title and revised content)</i>
	<i>Chapter 39. Informal activities (moved downwards, revised title)</i>
	<i>G. Supplementary material</i>
	<i>Annex 1. International standards for macro-economic statistics, and the links with the SNA</i>
<i>Annex 1. The classification hierarchies of the SNA and associated codes</i>	<i>Annex 2. The classification hierarchies of the SNA and associated codes (revised content)</i>
<i>Annex 2. The sequence of accounts</i>	<i>Annex 3. The sequence of accounts</i>

<i>Annex 3. Changes from the 1993 System of National Accounts</i>	<i>Annex 4. Changes from the 2008 System of National Accounts (revised title</i>
<i>Annex 4. Research agenda</i>	<i>Annex 5. Research agenda</i>
<i>References</i>	<i>References</i>
<i>Glossary</i>	<i>Glossary</i>
<i>Index</i>	<i>Index</i>