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For discussion

Outcome of the Global Consultation on WS.14 The Borderline Between Taxes, Sales of Service, and Other Government Revenue Boundary Issues

Prepared by the Wellbeing and Sustainability Task Team

Outcome of the Global Consultation on
WS.14 The Borderline Between Taxes, Sales of Service, and Other Government Revenue Boundary Issues[1]

(CONSENTERS)

A total of 70 respondents contributed to this consultation, 34 of which consented to publishing of their verbatim responses which are provided below. However, the below graphs reflect the answer of all 70 respondents.

Completely anonymous contributions are excluded, as are identical duplicate responses from the same contributor.

Q1. YOUR RESPONSE CONCERNS WHICH AREA OF STATISTICS? PLEASE SELECT ALL THAT APPLY.

1. National accounts
2. External Sector Statistics
3. Government Finance Statistics
4. Environmental-Economic Accounts
5. Other (please specify)
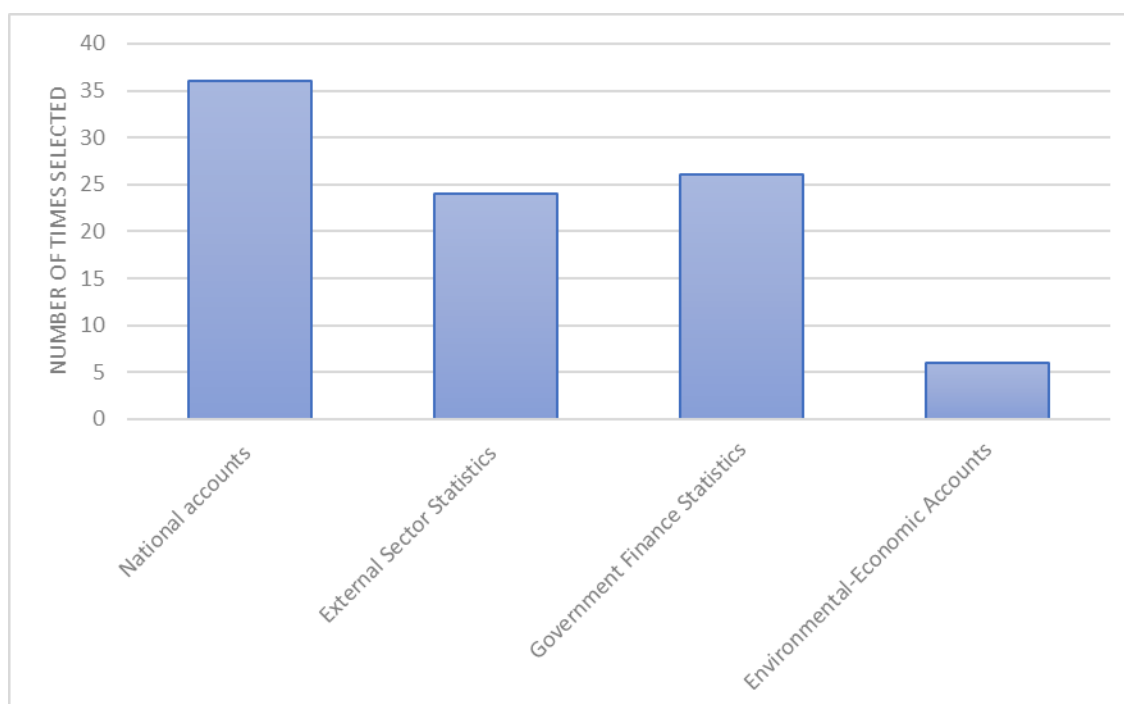
Angola (National Statistic Office): National accounts

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): National accounts

Aruba (CBS): National accounts

Australia (Australian Bureau of Statistics): National accounts; External Sector Statistics; Government Finance Statistics; Environmental-Economic Accounts

Belgium (National Banque of Belgium): Government Finance Statistics

Brazil (Brazilian Institute of Geography and Statistics): National accounts

Canada (Statistics Canada): National accounts; External Sector Statistics; Government Finance Statistics

Chile (Central Bank): National accounts

Colombia (National Administrative Department of Statistics): National accounts; Environmental-Economic Accounts

Finland (Statistics Finland): National accounts; Government Finance Statistics

Germany (Federal Statistical Office): Environmental-Economic Accounts

Indonesia (Statistics Office of Indonesia): National accounts

Israel (Central Bureau of Statistics): National accounts; Government Finance Statistics; Environmental-Economic Accounts

Latvia (Central Statistical Bureau of Latvia): National accounts; External Sector Statistics; Government Finance Statistics

Lebanon (Central Bank of Lebanon): External Sector Statistics

Malaysia (Department of Statistics): National accounts; External Sector Statistics; Government Finance Statistics; Environmental-Economic Accounts

Malaysia [*institute unspecified*]: Government Finance Statistics

Myanmar [*institute unspecified*]: External Sector Statistics

Nederland (Statistics Netherlands (CBS)): National accounts; Government Finance Statistics

Norway (Statistics Norway): National accounts; Government Finance Statistics

Pakistan (Budget Wing Ministry of Finance): Government Finance Statistics

Palestinian Authority (Palestinian Central bureau of statistics): External Sector Statistics; Government Finance Statistics

Palestinian Authority (Palestinian Central bureau of statistics): External Sector Statistics; Government Finance Statistics

Palestinian Authority (Palestinian Central bureau of statistics): External Sector Statistics

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): External Sector Statistics

Romania (National Bank of Romania): External Sector Statistics

Romania (National Institute of Statistics): National accounts; Government Finance Statistics

Rwanda (National Institute of Statistics of Rwanda): National accounts; Government Finance Statistics

Singapore (Department of Statistics): National accounts

South Africa (South African Reserve Bank/Statistic South Africa): National accounts; Government Finance Statistics; Environmental-Economic Accounts

The Netherlands (Dutch Central Bank): External Sector Statistics

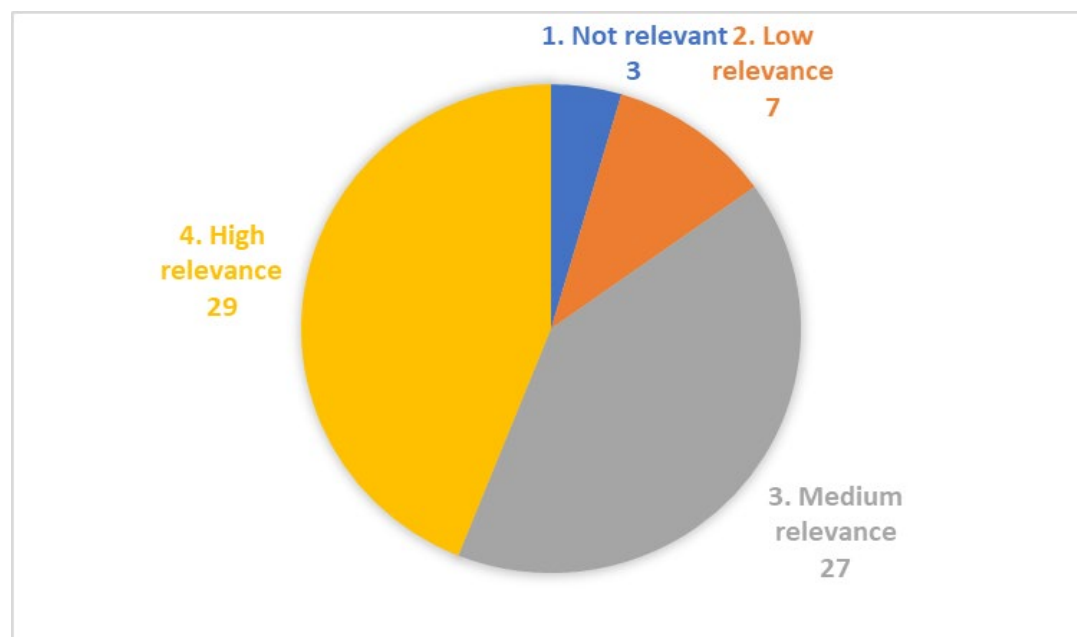**Turkey (Turkstat):** National accounts; Government Finance Statistics

Ukraine (State Statistics Service of Ukraine): National accounts

Viet Nam (General Statistics Office): National accounts

Q2A. HOW RELEVANT IS THIS TOPIC FOR YOUR COUNTRY?

1. Not relevant
2. Low relevance
3. Medium relevance
4. High relevance

Angola (National Statistic Office): Medium relevance

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): High relevance

Aruba (CBS): Low relevance

Australia (Australian Bureau of Statistics): High relevance

Belgium (National Banque of Belgium): High relevance

Brazil (Brazilian Institute of Geography and Statistics): High relevance

Canada (Statistics Canada): High relevance

Chile (Central Bank): Medium relevance

Colombia (National Administrative Department of Statistics): High relevance

Finland (Statistics Finland): Medium relevance

Germany (Federal Statistical Office): Medium relevance

Indonesia (Statistics Office of Indonesia): High relevance

Israel (Central Bureau of Statistics): High relevance

Latvia (Central Statistical Bureau of Latvia): Medium relevance

Lebanon (Central Bank of Lebanon): Low relevance

Malaysia (Department of Statistics): Medium relevance

Malaysia [*institute unspecified*]: Medium relevance

Myanmar [*institute unspecified*]: Medium relevance

Nederland (Statistics Netherlands (CBS)): Medium relevance

Norway (Statistics Norway): High relevance

Pakistan (Budget Wing Ministry of Finance): High relevance

Palestinian Authority (Palestinian Central bureau of statistics): Medium relevance

Palestinian Authority (Palestinian Central bureau of statistics): Medium relevance

Palestinian Authority (Palestinian Central bureau of statistics): High relevance

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Medium relevance

Romania (National Bank of Romania): Low relevance

Romania (National Institute of Statistics): Medium relevance

Rwanda (National Institute of Statistics of Rwanda): High relevance

Singapore (Department of Statistics): High relevance

South Africa (South African Reserve Bank/Statistic South Africa): High relevance

The Netherlands (Dutch Central Bank): Medium relevance

Turkey (Turkstat): High relevance

Ukraine (State Statistics Service of Ukraine): Medium relevance

Viet Nam (General Statistics Office): High relevance

Q2B. PLEASE PROVIDE REASONS FOR YOUR RESPONSE:

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Because the borderline between such variables provided by the general government is important in estimating the government expenditure and output. Taxes considers unrequited payments as the government provides nothing in consideration of taxes. While, sales of services consider a part of output of government. Other revenues classified for their relation to production, in the income generation.

Belgium (National Banque of Belgium): Those recording can have a significant impact on the GFS

Brazil (Brazilian Institute of Geography and Statistics): The topics cited in the guidance note are highly relevant to improve the compilation of the government sector in the national accounts.

Canada (Statistics Canada): The treatment of licenses and permits was the subject of much discussion and debate during the last comprehensive revision (SNA 2008 and GFSM 2014 implementation and harmonization) in the Canadian Macroeconomic Accounts. Most payments to general government in this regard are currently classified as taxes, and for those classified as sales of goods and services (driver's license, visas, passports), the notion of individual vs. collective consumption as well as the test of proportionality is sometimes a problem.

With regard to payments related to the use or extraction of natural resources, this is a very important issue for Canadian macroeconomic statistics given the magnitude of natural resources (such as timber, minerals, and oil and gas) in the country and their importance in the economy (GDP, employment, exports) and for public finances. We actively participate in the work of the WSTT and the conclusions and decisions relating to the statistical treatments discussed/proposed in guidance notes WS8-10-11 could have a very significant impact on the classification, measurement and recording of flows and stocks relating to biological/natural resources in the Canadian Macroeconomic Accounts.

Finally, the rearrangement of transactions through general government accounts (SNA, GFS) is also relevant in the Canadian context given the very interventionist character and the redistributive nature of Canadian fiscal policies (such as economic regulation, taxation and social protection). Significant adjustments (partitioning, rerouting and reassignment) are made to our government source data, particularly with respect to taxation, subsidies and social protection/social security.

It is also important to mention that this guidance note was the subject of discussions with the authors (IMF-STA) before the launch of the global consultation and of internal consultations at Statistics Canada among the compilers of GFS, SNA and BOP.

Colombia (National Administrative Department of Statistics): In the framework of the inter-institutional roundtables carried out by DANE with the Ministry of Finance, where work is being done on a better conceptual and methodological alignment between the results of the fiscal deficit (MEFP 2014) and the indebtedness (SNA 2008) of the general government, it is important to have a clear, precise and practical orientation regarding the way in which government revenues should be classified. In addition, the environmental accounts and the central framework require timely assurance on the classifications of government revenues that are common to both investigations to ensure consistency in their recording

Finland (Statistics Finland): High relevance in section 1 but in monetary terms less. Concerning natural resources low relevance.

Germany (Federal Statistical Office): The SNA definition of taxes may also have implications for environmental economic accounts. Currently, these definitions are harmonized. If the tax concept in the SNA is changed, it will have to be decided how the compilers of environmental economic accounts should deal with it.

Furthermore, a change in the tax concept in the SNA also has an impact on global reporting systems, which, for example, present the environment-related taxes in relation to other SEEA or SNA based indicators. In the event of changes to the tax concept and also in the event of a discrepancy between the definitions in the SNA and SEEA, a decision must therefore be made on how to deal with this.

Indonesia (Statistics Office of Indonesia): related to the gfcf which records output as fixed assets, for fixed assets which are the cost of ownership of non-produced assets paid to the government

Israel (Central Bureau of Statistics): Numerous kinds of economic flows generated by government policy pose a challenge to statistical compliers. Explicit guidance would enable homogeneous statistics of government revenue and consistency in treatment of individual and collective services.

Lebanon (Central Bank of Lebanon): As BoP compilers, we do not have access to the detailed repartition of the different government revenues between taxes and sale of services. Hence, compiling such statistics fall beyond our scope of work as BoP compilers.

Malaysia (Department of Statistics): Malaysia records the payment to the government for licenses to perform activities or to own or use goods/assets according to the classification of revenue and expenditure codes based on the Treasury Circular published by the Ministry of Finance Malaysia.

Nederland (Statistics Netherlands (CBS)): This topic affect the final consumption expenditure of government.

Norway (Statistics Norway): Norway has large income from naural resources, and a big government sector

Pakistan (Budget Wing Ministry of Finance): Government of Pakistan is in the process of implementing GFS. There are some capacity issues as well as lack of professional expertise.

Palestinian Authority (Palestinian Central bureau of statistics): Because the current guidance covers all transactions that take place with us.

Palestinian Authority (Palestinian Central bureau of statistics): Because we did not participate in the international discussions to amend the working guides, and also we do not have transactions that we cannot record according to the current working guide.

Palestinian Authority (Palestinian Central bureau of statistics): In Palestine, we collect data on the balance of payments and the international investment situation, and it is necessary to know the method of recording some transactions that have uncertainty or that bear several types of registrations.

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): The Philippines aims to properly record tax payments in its Balance of Payment (BOP) statistics. Currently, the collection of granular data relating to tax and permits, and their respective classification in the BOP needs to be improved on. The guidance note provides additional clarity in existing areas of confusion in terms of their recording and classification.

Romania (National Bank of Romania): Recently, there have been no major changes in the level of interest over the subject of the present guidance note. However, potential discussions may arise and it is useful to have such matters clarified so as to ensure that the statistical data produced and disseminated by the National Bank of Romania are comprehensive and comparable to those of other countries.

Rwanda (National Institute of Statistics of Rwanda): these are part of National accounts estimates and forma crucial part as we have some good data sources for these topics and would like to make sure we capture them effectively.

Singapore (Department of Statistics): Suggested changes in guidance on treatment of payments to government would have material impact on GDP and national accounts aggregates.

South Africa (South African Reserve Bank/Statistic South Africa): South Africa has a relatively well-developed government accounts reporting system in place. It is acknowledged that this clarification between taxes and sales of goods may be necessary, but it poses the danger of making the reporting of credible government data more challenging.

The government of South Africa as a regulator, supervisor, sovereign, producer of public goods and services and owner of public nonfinancial assets, charges various taxes and administrative fees (i.e., for licenses, fines, penalties etc.) at different levels (national, state and local government). These charges are not always clearly compulsory and unrequited.

Taxes and subsidies in general remain relevant in the country and for the environment, as part of measures to mitigate the impact of climate change, waste, etc. Further, South Africa remains aligned to international standards and to improve the quality of national accounts and environmental-economic accounts.

The Netherlands (Dutch Central Bank): This topic affects the final consumption expenditure of government.

Turkey (Turkstat): In the main revision study published in 2016, general government accounts were published for the first time in accordance with SNA 2008 / ESA 2010. Thus, within the scope of national accounts, general government accounts have been brought in line with international standards. All the topics mentioned in the document you sent are important for our statistical system and are trying to be developed.

Ukraine (State Statistics Service of Ukraine): Currently there are no significant issues as to differentiations between taxes, sale of services and other types of government revenues.

Viet Nam (General Statistics Office): This is one of the contents compiled in the national account system, tax data plays a very important role in the calculation of gross domestic product.

Q3A. WITH RESPECT TO PAYMENTS TO GOVERNMENT FOR LICENSES TO PERFORM ACTIVITIES OR TO OWN OR USE GOODS/ASSETS, PLEASE INDICATE WHICH OPTION YOU SUPPORT:
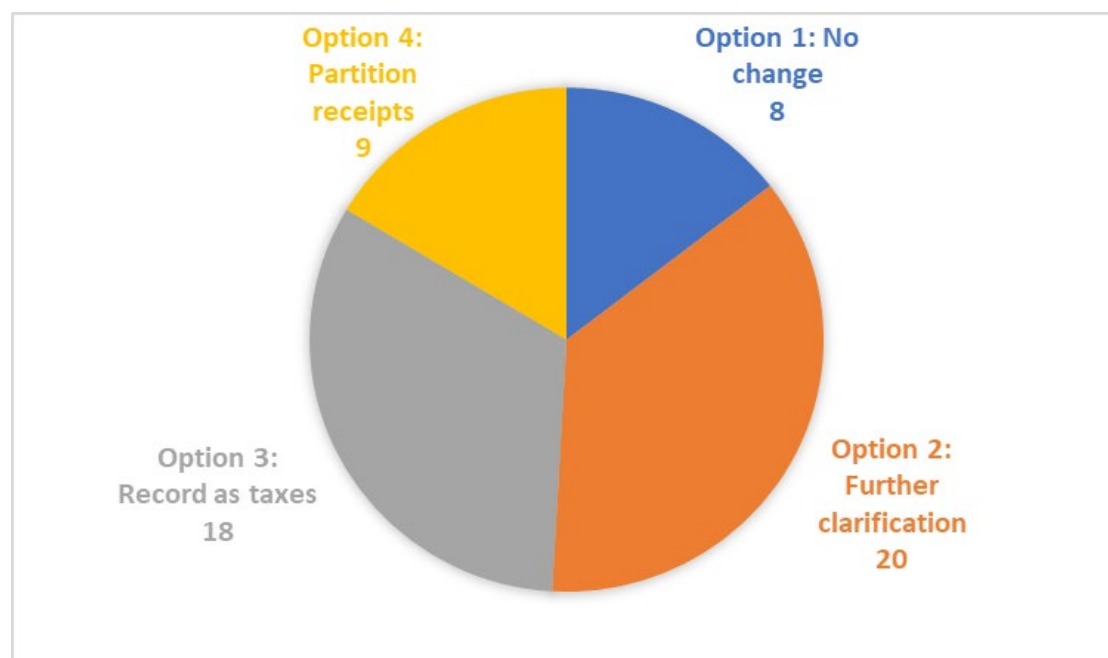
Option 1: No change to current guidance
Option 2: No change to conceptual guidance but further clarifications provided
Option 3: Record as taxes all compulsory payments for license issued as part of a mandatory process
Option 4: Partition payments for licenses which form part of a proper regulatory function into separate tax and sale of service elements

Angola (National Statistic Office): Option 4

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Option 4

Australia (Australian Bureau of Statistics): Option 2

Aruba (CBS): Option 2

Belgium (National Banque of Belgium): Option 2

Brazil (Brazilian Institute of Geography and Statistics): Option 3

Canada (Statistics Canada): Option 3

Chile (Central Bank): Option 2

Colombia (National Administrative Department of Statistics): Option 3

Finland (Statistics Finland): Option 2

Germany (Federal Statistical Office): Option 2

Indonesia (Statistics Office of Indonesia): Option 4

Israel (Central Bureau of Statistics): Option 3

Latvia (Central Statistical Bureau of Latvia): Option 3

Lebanon (Central Bank of Lebanon): Option 3:

Malaysia (Department of Statistics): Option 3

Malaysia [*institute unspecified*]: Option 2

Myanmar [*institute unspecified*]: Option 3

Nederland (Statistics Netherlands (CBS)): Option 2

Norway (Statistics Norway): Option 2

Pakistan (Budget Wing Ministry of Finance): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 1

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Option 3

Romania (National Bank of Romania): Option 3

Romania (National Institute of Statistics): Option 2

Rwanda (National Institute of Statistics of Rwanda): Option 4

Singapore (Department of Statistics): Option 3

South Africa (South African Reserve Bank/Statistic South Africa): Option 2

The Netherlands (Dutch Central Bank): Option 2

Turkey (Turkstat): Option 2

Ukraine (State Statistics Service of Ukraine): Option 2

Viet Nam (General Statistics Office): Option 4

Q3B. PLEASE EXPLAIN THE REASONS FOR YOUR RESPONSE:

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Because each component has different process in National Accounts, especially in generating income. Taxes, mandatory payments, consider unrequited payments and part of the government income, while sales considers part of the government output.

Australia (Australian Bureau of Statistics): Australia supports option 2 where there is no change to the conceptual guidance however the guidance provided is clarified to minimise potential confusion. While option 4 is potentially the most conceptually accurate option, it would be impractical to implement, information on the amounts to partition between taxes and sales of services would be difficult to find and

could change every year as the costs of providing the services change, which would involve extensive work to track and not be easy to determine.

Further support for option 2 comes from the significant history and progress that has been made in working with users, data providers and other government departments to form agreement and understanding of the treatment of numerous specific payments in Australia. While the merits of the simplicity of reporting under option 3 are appreciated from a practical perspective, supporting and implementing option 3 would require changes to the treatment of numerous payments in the Australian accounts and the undoing of a great deal of understanding by our users.

Regarding clarification of the guidance, it would be helpful to focus on the out of all proportion test which can be open to interpretation and can be difficult to apply, though it is a helpful and important test in helping to determine taxes vs sales of services. Consistency and clarity in the guidance should also be resolved to help minimise the impact of interpretability, for example within paragraph 22.89B of the SNA where the wording is contradictory of itself.

Belgium (National Banque of Belgium): For us, all payments for licenses required under a mandatory process are not unrequited and so taxes. We think that the regulatory function of the governement should be analized as well as the proportionnality between the cost of the service provided. In addition, further clarification regarding the terminology used is needed.

Brazil (Brazilian Institute of Geography and Statistics): Currently, payments for licenses, permits or certificates are mostly aggregated into two items in the Brazilian government accounts: control and inspection fees and service provision fees. As we understand that most of these items refer to unrequited payments required under a mandatory process, both are already classified as taxes. The only mandatory payments disaggregated in federal and state government accounts are court and airport fees. As we understand that there is a service being provided in exchange for these payments, both are currently classified as sales of services. With the adoption of option 3, it would result in 0.02% of GDP of sales of services being reclassified to taxes (below the average of 0.7% of GDP for countries in the IMF annual GFS database).

Canada (Statistics Canada): We believe that clearer guidance will greatly benefit compilers/users of macroeconomic statistics with respect to the concepts of requited/unrequited (whether a payment is requited and a service is consumed), mandatory process and proper regulatory function, proportionality test, interpretation of taxes vs sales of services. In the current version of Manuals, minimal guidance is provided on how to interpret these terms and apply prescriptions consistently to ensure and improve comparability across countries. It would therefore be desirable to reinforce the orientations (definitions of concepts, compilation considerations, etc.) in the updated version of the GFSM/SNA concerning the boundary between taxes and the sale of goods and services (for example GFSM 2014 5.73-5.75). We agree that the current inclusion of specific examples in the manuals is likely resulting in compilers classifying licenses/permits differently depending on whether they are following the conceptual guidance or simply the named examples.

We do not disagree with option 2 but have a strong preference for option 3. Very few of the licenses and permits associated with the permission to undertake/perform activities or to own or use goods/assets are currently classified as sales of goods and services in the Canadian macroeconomic statistics. This treatment is made according to the limited conceptual guidance (and its interpretation) of the Manuals, although some borderline cases exist. It is recognized that there is often a notion of service in some of these payments, although often considered negligible, in these payments to general government units. We are of the opinion that partitioning the compulsory payments for licenses into a fee (service) component and tax component (option 4), although logical in a purist view of compiling and applying statistical concepts, presents very significant measurement challenges. For most countries, this would represent too great a burden (reliable data sources and required compilation resources) compared to the

to the benefits in terms of data quality (and considering that these payments are rarely significant in the overall revenue of general government). Despite all the improvements that could be made in terms of guidance in textbooks, we are of the opinion that this approach could in fact lead to many more problems of data comparability between countries (and even more subjective interpretation and adjustments in the data).

Option 3 is conceptually very solid (although not perfect), statistically defensible and operationally justifiable. Indeed, this option is by far the easiest to implement, for all countries, and would greatly increase homogeneity/comparability of statistics. It is also a coherent approach with respect to the principles/concepts of individual vs. collective consumption (COFOG) of general government expenditure associated with regulation and its impact/benefits, which are generally more associated with the wider society in general.

However, there could be compilation/conceptual challenges with this approach in the SNA, such as for the payments for visas by non-residents (export of a service vs export of a tax?) and the implications in the corporate (permits/licenses as operating expenses for corporations vs taxes for government) and household sectors to ensure the data are treated the same on the expenditure side. Indeed, from the use side (especially for household payments, exports and imports), if the payments are not recorded as a purchase of a service, the alternatives may be questionable or not necessarily useful in compilation (e.g. it is not an income tax, it cannot be a tax on production for the non-business sectors, it cannot be a tax on products as there is no product being purchased if the entire transaction is a tax).

Chile (Central Bank): it is important to clarify the concepts and examples in order to properly classify the items involved.

Colombia (National Administrative Department of Statistics): It allows for the recognition of licences, which are part of a regulatory process and are compulsory government payments as taxes; it delimits government revenues that will be considered individual consumption expenditure and is practical in its implementation

Germany (Federal Statistical Office): It is useful to distinguish cases of requited mandatory payments that serve a regulatory function (hence benefit the payer and a wider public) but are not costing out of proportion, as proposed in Option 2.

Under German law (e.g. Bundesgebührengesetz) many such payments are required to be proportional to the individual service. These cases could continue to be differentiated as payments for service. However, differentiating all mandatory payments to government is a complex task and further clarification, particularly for the differentiation compulsory/non-compulsory, regulatory/non-regulatory) is certainly useful.

Indonesia (Statistics Office of Indonesia): separate payments between taxes and as output from sales activities it will be easier to determine as output to be used in gdp expenditure side

Israel (Central Bureau of Statistics): Option 3 will lead to increased homogeneity of government revenue statistics and will solve the possible anomalies in the accounts resulted the existing guidance.

Lebanon (Central Bank of Lebanon): Option 3 is relatively easy to implement. It recognizes the compulsory and unrequited nature of non-transferable licenses imposed by government as part of a mandatory process. It also increases the homogeneity of government revenue statistics and assures consistency with other manuals.

Malaysia (Department of Statistics): Malaysia records revenue obtained from the lease or rental of government property, including the rental of land, buildings, warehouses, storage spaces and equipment. It falls under the category of government non-tax revenue.

Nederland (Statistics Netherlands (CBS)): This option offers the best possibility to describe the economic structure independent of whether government or private sector supply a service.

Norway (Statistics Norway): We see some advantages of option 3, but all in all prefer to keep the concepts as they are now.

Pakistan (Budget Wing Ministry of Finance): Change in current system/guidance would require a deep understanding and updating.

Palestinian Authority (Palestinian Central bureau of statistics): There is no change in the concept or method of registration with us, as it is registered in the item of export services.

Palestinian Authority (Palestinian Central bureau of statistics): Transactions are recorded as service transactions for non-residents (exports of services)

Palestinian Authority (Palestinian Central bureau of statistics): Depending on the data collector unit, we collect receipts from government units that have nothing to do with taxes, and the tax authorities cannot collect those payments/ receipts for licenses or other government services.

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Option 3 is the most practical and feasible approach. While determining more information will be favorable in general, the burden on data collection will be substantial for compilers. Further, relevant government agencies will collectively share the burden to produce more granular statistics. Option 3 is easier to implement and thus, will hopefully help in the standardization of reported statistics across jurisdictions.

Romania (National Bank of Romania): As also mentioned in the guidance note, the differences observed in the statistical manuals regarding the classification of payments in taxes or services fees may lead to the application of various treatments for the same type of payment. As the conceptual delineation between taxes and payments of services are consistent, the issue arises with respect to the examples provided by the manuals (different classification for the same examples). Hence, in order to obtain a clear classification of payments (as taxes or service fees) and consistent and comparable statistics across jurisdictions, a clear and simple approach should prove to be the most effective.

Option 3 does not fully eliminate service fees, but simplifies the decision process for statistical data compilers and should lead to the increase of the comparability of the data produced.

Additionally, bringing clarifications to the current guidance in order to standardize the types of payments and their classification (by including clear examples) and also establishing a clear and unitary definition in all statistical manuals of the term "compulsory" could be useful, the latter being essential.

Rwanda (National Institute of Statistics of Rwanda): I think this cannot be as taxes as there will be quid pro quo at the end thus sale of service element.

Singapore (Department of Statistics): Option 3 is clear and straightforward to implement, resulting in greater ease of administration and comparability. Practically, it is not easy to differentiate whether a payment, which is mandated by government, is a tax or sales of service due to different interpretations of whether the mandatory payments are "in proportion" to the cost of the regulatory function, often resulting in inconsistencies.

South Africa (South African Reserve Bank/Statistic South Africa): Removing, standardizing and/or caveating the named examples might reinforce the conceptual guidance and Appendix II provides an example of how text in the 2008 SNA could be relatively changed in this regard. However, without additional clarification on aspects of the guidance, such as how to identify what is a "proper regulatory function" and assess "out of proportion", this might not necessarily lead to more consistency.

The Netherlands (Dutch Central Bank): Option offers the best possibility to describe the economic structure independent of whether government or private sector supply a service.

Turkey (Turkstat): The applications of the countries regarding the permit licenses can be very different. Option 3 does not seem appropriate, especially considering the mandatory shares taken due to environmental cleanliness and the services provided. As stated in 2008 SNA, if the government does not work at all or very little while issuing licenses it sees such license payments as an income generating tool, so it can be classified as tax. On the other hand, such licence payments may not be classified as tax if the government grants certain licenses in an appropriate regulatory capacity. Some adjustments will be needed to make these distintions.

Viet Nam (General Statistics Office): This division of payments will help to clearly define the items to split the details

Q4A. WITH RESPECT TO PAYMENTS RELATED TO THE USE OR EXTRACTION OF NATURAL RESOURCES, PLEASE INDICATE WHICH OPTIONS YOU SUPPORT. PLEASE CHECK ALL THAT APPLY.

Option 1:   No change to current guidance
Option 2A: Expand the current guidance to specify what should be included under the definition of rent
Option 2B: Expand the current guidance to specify that where a permit to use a natural resource is recognized, rent should continue to be recorded to government as the economic owner of the natural resource
Option 3:   Modify the current guidance in some other way (please explain below)
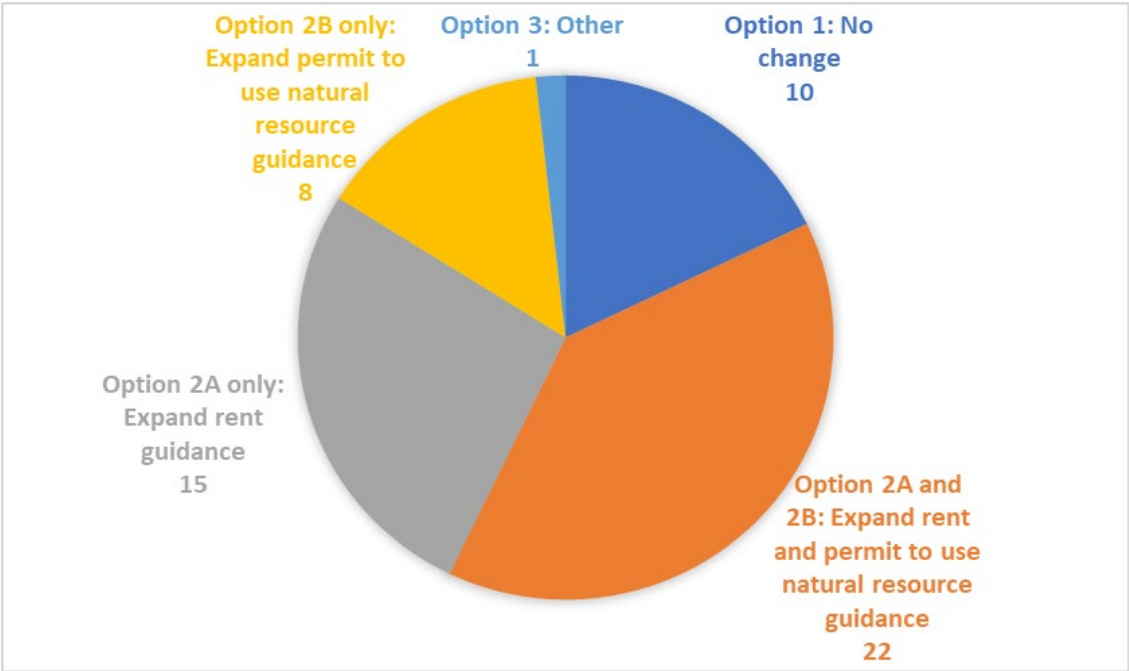
Angola (National Statistic Office): Option 2A; Option 3

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Option 2B

Aruba (CBS): Option 2A

Australia (Australian Bureau of Statistics): Option 2A; Option 2B

Belgium (National Banque of Belgium): Option 2A; Option 2B

Brazil (Brazilian Institute of Geography and Statistics): Option 2A; Option 2B

Canada (Statistics Canada): Option 3

Chile (Central Bank): Option 2B

Colombia (National Administrative Department of Statistics): Option 1; Option 2A; Option 2B

Finland (Statistics Finland): Option 2A; Option 2B

Germany (Federal Statistical Office): Option 2A

Indonesia (Statistics Office of Indonesia): Option 2B

Israel (Central Bureau of Statistics): Option 2A; Option 2B

Latvia (Central Statistical Bureau of Latvia): Option 2A

Lebanon (Central Bank of Lebanon): Option 2A; Option 2B

Malaysia (Department of Statistics): Option 2A

Malaysia [*institute unspecified*]: Option 2A

Myanmar [*institute unspecified*]: Option 2B

Nederland (Statistics Netherlands (CBS)): Option 2A; Option 2B

Norway (Statistics Norway): Option 2A; Option 2B

Pakistan (Budget Wing Ministry of Finance): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 2A

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Option 2A; Option 2B

Romania (National Bank of Romania): Option 2A; Option 2B

Romania (National Institute of Statistics): Option 2B

Rwanda (National Institute of Statistics of Rwanda): Option 1

Singapore (Department of Statistics): Option 2A; Option 2B

South Africa (South African Reserve Bank/Statistic South Africa): Option 2A

The Netherlands (Dutch Central Bank): Option 2A; Option 2B

Turkey (Turkstat): Option 2A; Option 2B

Ukraine (State Statistics Service of Ukraine): Option 1

Viet Nam (General Statistics Office): Option 2A

Q4B. PLEASE EXPLAIN THE REASONS FOR YOUR RESPONSE:

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): To separate between rent component as an income of the government, part of Value Added of the general government and taxes components.

Australia (Australian Bureau of Statistics): It is sensible to choose option 2 (Proposal A and Proposal B) which provides more clarity in transactions noting the potential impacts pending outcomes of other guidance notes.

Brazil (Brazilian Institute of Geography and Statistics): Brazilian legislation does not consider cases in which licenses to use natural resources owned by government are "transferable". Therefore, all payments received that relate to the use of natural resources by the government for certain periods of time are classified as "rent". But, as we understand that the legislation may change in the future, we marked options 2A and 2B that would provide further clarification and more precise definitions of both situations. We also continue to monitor ongoing discussions in other working groups related to the topic.

Canada (Statistics Canada): In fact, we support the introduction in the updated version of Manuals of both clarifications/guidance described and proposed in option 2A and 2B - we would call it option 2C.

At first glance, we support the proposal to clarify the current guidance in Manuals on the guidance of rent (option 2A), more specifically on the following points:
• That rent can only be received/recorded by the economic owner of a natural resource;
• Which payments should be included/excluded.

On this last point, we support the approach that all payments (and not only payments linked to the quantity/volume/value of resources extracted) to the government/public sector units in relation to the extraction of natural resources be recorded as rent when the public sector unit is the economic owner. These payments could include exploration permits, permits to use the natural resource, additional taxes (sur-taxes) on profits, fees or fines specific to natural resources extraction. This approach builds on the basis that an extractor might factor in all costs to government when considering its economic rent (gross operating surplus). However, payments made by users/extractors of natural resources on the same basis as other corporations who are not extractors should not be recorded as rent but under the relevant economic category.

This approach would also simplify the classification/compilation of revenue related to natural resources. It is sometimes difficult for compilers to clearly distinguish items relating to taxes (corporate income tax, taxes on sales of goods and services) from those relating to rents depending on the data sources used. Like option 3 (to consider all compulsory payments for licenses to be unrequited/taxes) in the guidance note on payments to obtain permission to perform activities or to own/use goods/assets, this would allow for a greater uniformity within different countries and a clearer and easier to apply delineation between tax and non-tax revenue.

On the other hand, when the owner of a natural resource allow the use for an extended period in such a way that in effect the user/extractor controls the use of the resource with little if any intervention from the legal owner, and the permit value is transferable, that a resource lease should also be recorded when a permit asset is created to use a natural resource (new guidance involved in option 2B and which implies a reconciliation between ESA and the SNA manual). Of course, the implementation (show right-to-use asset for natural resources or simply show directly as asset value split between sectors) of this approach is conditional (and must be consistent) with the conclusions and decisions relating to the statistical treatment discussed/proposed in WSTT guidance notes WS8-10-11. In the Canadian macroeconomic accounts, we have in recent years implemented the split asset approach (an approach already advocated in the proposed options for WS-8-10-11) for certain natural resources (e.g. timber, minerals, oil and gas) and this partition of non-financial assets relating to natural resources is reflected in our sectoral (general government and nonfinancial corporations involved in the extraction) national balance sheet published estimates.

Chile (Central Bank): It is always desirable to access to more guidance to this relevant topics and to harmonize the manuals

Colombia (National Administrative Department of Statistics): It is important to make extensions in terms of concepts (rent) and specific treatments in cases where the economic owner controls the resource, defining very well the records of the lessee and the lessor. From an environmental economic point of view, it is important for Colombia to conserve the asset in the government sector

Finland (Statistics Finland): It's difficult to reply because of the dependence of other guidance notes in this area.

Germany (Federal Statistical Office): The clarification is sensible and should simplify the differentiation of rents, fees and taxes related to natural resources. Particular attention should be given to distinguish rent (to the owner) in this context from resource rent (to the extractor, who may or may not be the owner) as used in SEEA-CF.

Indonesia (Statistics Office of Indonesia): recording the rent paid to the government will facilitate the determination of ownership of natural resources and recording permit users as well as recording in the balance sheet and gdp

Israel (Central Bureau of Statistics): Both clarifications are useful. We agree with the majority of the GN drafting team.

Lebanon (Central Bank of Lebanon): Option 2A & 2B clarify the guidelines on the definition of rent and its payments, as well as the treatment of permits to exploit natural resources, in order to ensure that governments receive their fair part of the revenue.

Malaysia (Department of Statistics): Malaysia requires a licence to extract Malaysia's natural resources i.e sand mining license which needs to be obtained from the Department of Director General of Lands & Mines Federal, Ministry of Natural Resources, Environment and Climate Change.

Nederland (Statistics Netherlands (CBS)): Both clarifications are of value.

Pakistan (Budget Wing Ministry of Finance): Change in current system/guidance would require a deep understanding and updating.

Palestinian Authority (Palestinian Central bureau of statistics): There is no change in the registration method, as it is registered in the financial account / foreign direct investment item

Palestinian Authority (Palestinian Central bureau of statistics): We have no problem registering it according to the current working guidance

Palestinian Authority (Palestinian Central bureau of statistics): A distinction must be made between leasing an asset or a natural resource for certain years (lease) or giving the right to use this asset or natural resource until the final expiration date, and how to record the transaction, is it a sale or a lease

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): As the current BPM6 manual does not really go into discussing resource rent in-depth, the concept should be further defined especially in the context of compilation. Additional guidelines and explicit examples (i.e., depletion accounting, splitting of resource under a lease) on the theoretical and practical issues of the topic would be helpful to compilers.

Romania (National Bank of Romania): As there are a large variety of types of taxes and fees that can be applied in relation to the lease and extraction of natural resources, the further expansion of the current guidance seems to be necessary. Also, indeed, as also mentioned in the current guidance note, the final

decision should be directly correlated to those of the other guidance notes related to accounting of natural resources and boundary of natural resources.

Once the unitary definition of the term "rent" is finalized (see Guidance note AI 2), it should also be supplemented with a clear list of examples, correlated between statistical manuals. This would lead to an increase in the comparability of statistical data produced by countries.

With respect to the transferable permit to use natural resources, in our view this indeed represents in essence a new tradeable asset which should be recorded as such, as it can bring further value (i.e. possibility of future revenue). Hence, the explicit delimitation between rent and resource permit in the ESA 2010 should be included in the other statistical manuals as well.

Singapore (Department of Statistics): More clarifications and guidance would be useful for countries to review their treatment of the use and extraction of natural resources.

South Africa (South African Reserve Bank/Statistic South Africa): This option is less complex but still improves the treatment of data related to rent and natural resources payments. It is important that the current guidance on rent be improved through clarifying what rent is and providing a clear definition rent. Rent can only be received by the economic owner of a natural resource. Also clarifying which payments should be included in rent.

This option would also give countries the guidance/knowledge to improve the documenting of rent at their own pace.

The Netherlands (Dutch Central Bank): Both clarifications are of value

Turkey (Turkstat): There is a need to clarify the classification of transactions with natural resources, especially through licenses and permits.

Viet Nam (General Statistics Office): The extension of the guide will help to clearly define the separated items

Q5A. DO YOU AGREE WITH THE DECISION TREE PRESENTED IN APPENDIX I, TO ASSIST IN THE CORRECT CLASSIFICATION OF PAYMENTS TO GOVERNMENT?

1. Yes
2. No
3. Unsure
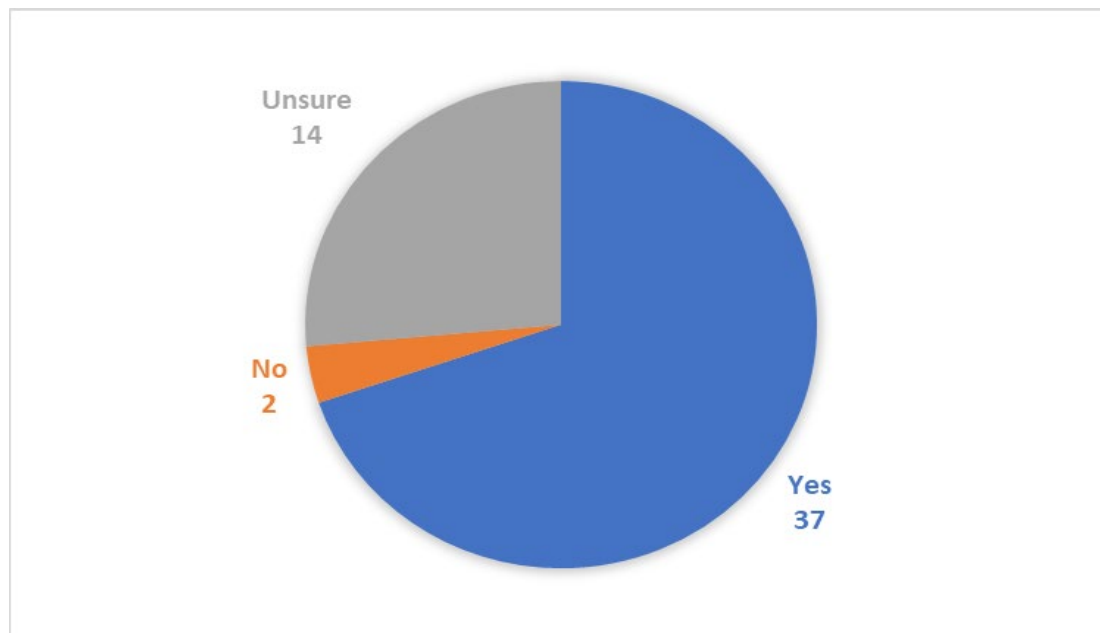
Angola (National Statistic Office): Yes

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Yes

Aruba (CBS): Unsure

Australia (Australian Bureau of Statistics): Yes

Belgium (National Banque of Belgium): Yes

Brazil (Brazilian Institute of Geography and Statistics): Unsure

Canada (Statistics Canada): Yes

Chile (Central Bank): Yes

Colombia (National Administrative Department of Statistics): Yes

Finland (Statistics Finland): No

Germany (Federal Statistical Office): Unsure

Indonesia (Statistics Office of Indonesia): Unsure

Israel (Central Bureau of Statistics): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Lebanon (Central Bank of Lebanon): Yes

Malaysia (Department of Statistics): Yes

Malaysia [*institute unspecified*]: No

Myanmar [*institute unspecified*]: Yes

Nederland (Statistics Netherlands (CBS)): Yes

Norway (Statistics Norway): Yes

Pakistan (Budget Wing Ministry of Finance): Yes

Palestinian Authority (Palestinian Central bureau of statistics): Yes

Palestinian Authority (Palestinian Central bureau of statistics): Unsure

Palestinian Authority (Palestinian Central bureau of statistics): Yes

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Unsure

Romania (National Bank of Romania): Yes

Romania (National Institute of Statistics): Yes

Rwanda (National Institute of Statistics of Rwanda): Yes

Singapore (Department of Statistics): Yes

South Africa (South African Reserve Bank/Statistic South Africa): Yes

The Netherlands (Dutch Central Bank): Yes

Turkey (Turkstat): Unsure

Ukraine (State Statistics Service of Ukraine): Unsure

Viet Nam (General Statistics Office): Yes

Q5B. PLEASE PROVIDE AS MUCH DETAIL AS POSSIBLE.

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Yes, this classification separates payments to the government into taxes, fees and sales of services. Each component has a different process in the national accounts.

Australia (Australian Bureau of Statistics): Decision trees are helpful in assisting understanding of complicated classification issues to guide compilers and users.

Belgium (National Banque of Belgium): the decision tree based on existing guidance is quite clear.

Brazil (Brazilian Institute of Geography and Statistics): With the adoption of option 3 in section I, the classification becomes more objective and the tree decision clearly portrays the orientation. But for the changes suggested in section II, it might be more efficient to break the "yes" part into two boxes (rent and nonproduced intangible asset), with clearer definitons of which part of the records would be classified in each one of them, clarifying the orientation of "nonproduced intangible asset initially being exchanged at zero value with subsequent revaluation".

Canada (Statistics Canada): We think this is a great idea and have provided feedback to the authors of the guidance note on this. This information will be useful and always relevant regardless of the option chosen/retained based on the global consultation. Over the last few years, similar guidelines (decision/classification trees) have been introduced (e.g. GFSM 2001 vs GFSM 2014) regarding the sectoral classification of institutional units, the recording and classification of operations relating to social protection, as well as on debt operations. These initiatives are the result of feedback from compilers around the world who test and use the manuals in practice on a daily basis. We believe this is a way to effectively support the often-arduous work of compilers, to facilitate the understanding and vulgarization of often complex concepts, to encourage the adoption of the fundamental principles of manuals and the alignment of data with these while promoting better international comparability of data.

Chile (Central Bank): The decision tree seems to consider all the available options to record these transacctions

Colombia (National Administrative Department of Statistics): Decision trees provide valuable guidance to users, more clearly delineate cases, and establish decision criteria, which facilitates the implementation of guidelines or treatments suggested in the manuals

Finland (Statistics Finland): Even though decisions trees are very usefull in principle in this case the tree should be more thoroughly developed to have only one precise decision tree. More time should be used to have a proper decision tree for this use.
 It might be too late to have this decision tree in the updated SNA.

Germany (Federal Statistical Office): The definition of "compulsory" may be confusing. How is it differentiated from the mandated nature of payments under consideration? Why is the compulsory nature of the payment linked to the ownership of the good/asset or the involvement of the government in an activity (when ownership is also the subject of the next decision node in the tree)? It appears that the same payment in different institutional contexts may be compulsory in one country and non-compulsory in another, depending on the availability of alternatives to avoid a mandated payment to the government? It should be stated if ownership of natural resource by the government means that "governments either legally own natural resources or control natural resources on behalf of citizens or society."

Indonesia (Statistics Office of Indonesia): I need to understand more

Israel (Central Bureau of Statistics): There is a need in an explicit decision tree as well as special cases treatment, for instance: local government revenues and government payments for hospitalization services to government owned hospitals.

Lebanon (Central Bank of Lebanon): The decision trees related to Option 3 (Section 1) and Option 2 A/B (Section 2) are excellent tools for evaluating these options and investigating their potential outcomes, and assisting in the proper classification of payments to the government.

Malaysia (Department of Statistics): Malaysia's tx classification is based on the government's code classification of revenue and expenditure following the Treasury Circular published by the Ministry of Finance Malaysia.

Nederland (Statistics Netherlands (CBS)): This decision tree offers more clarity

Pakistan (Budget Wing Ministry of Finance): It provides required basic payments classifications.

Palestinian Authority (Palestinian Central bureau of statistics): Yes, because this expands the registration options for government transactions that do not apply to the instructions of the current work guide

Palestinian Authority (Palestinian Central bureau of statistics): We did not participate in those discussions

Palestinian Authority (Palestinian Central bureau of statistics): In order to record government transactions with residents and non-residents more clearly

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): A decision tree is indeed useful for compilers given the complex nature that arises from the different types of government payments. However, on a practical level, sufficient information on the basic data collected by compilers should also be available in order to conform the data collected to the categories of the decision tree for it to be really useful.

Romania (National Bank of Romania): We consider that the decision tree included in Appendix I is comprehensive enough and will aid the statistical data compilers, by providing a simple and concise visual structure.

Singapore (Department of Statistics): The decision tree is a good visual representation/tool in providing useful guidance on the correct classification of payments to government.

South Africa (South African Reserve Bank/Statistic South Africa): Yes, the decision tree in Appendix I makes classification clearer and is in line with the GFSM 2014 classification. Having the definitions also assist in clarifying how payments must be classified. The decision tree will minimise the complexities around classifying payment to government and caters for a wider range of scenarios or transaction types. A decision tool is always helpful to provide guidance for classification, especially because new taxes and payments are continuously introduced.

The Netherlands (Dutch Central Bank): Decision trees offer more clarity

Turkey (Turkstat): It's so confusing, it doesn't seem to provide convenience.
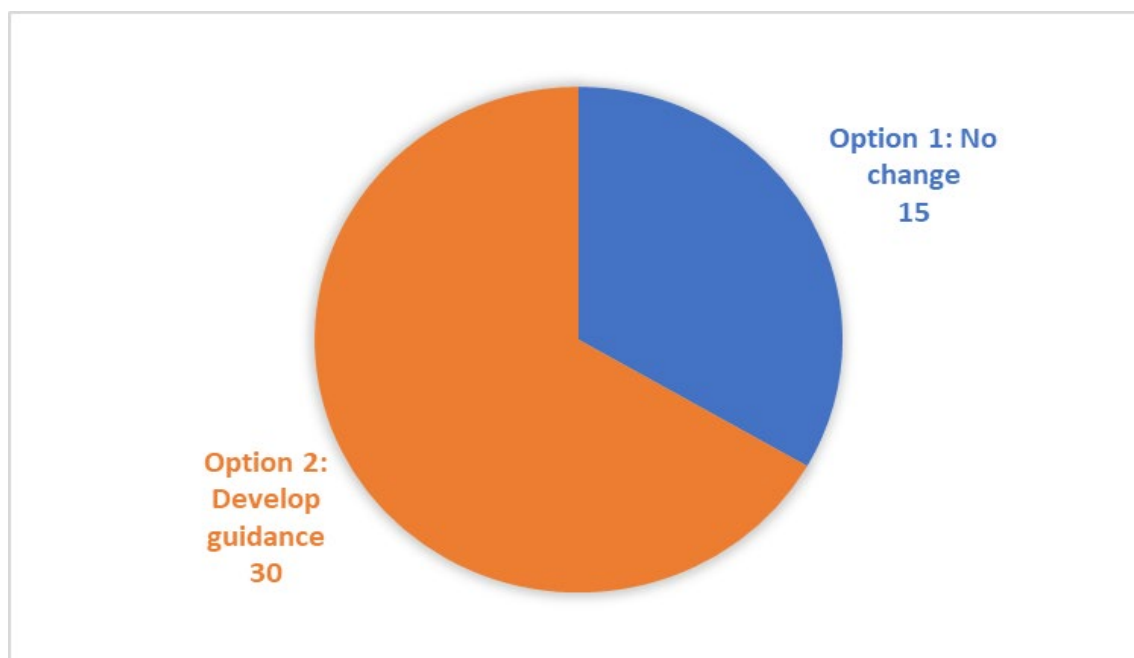
Q6A. WITH RESPECT TO THE REARRANGEMENT OF TRANSACTIONS THROUGH THE GOVERNMENT ACCOUNTS, PLEASE INDICATE WHICH OPTION YOU SUPPORT:

Option1:   No change to current guidance
Option 2: Development of guidelines on a limited number of scenarios where payments should be rearranged through the government accounts

Angola (National Statistic Office): Option 2

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Option 2

Aruba (CBS): Option 1

Australia (Australian Bureau of Statistics): Option 2

Belgium (National Banque of Belgium): Option 2

Brazil (Brazilian Institute of Geography and Statistics): Option 2

Canada (Statistics Canada): Option 2

Chile (Central Bank): Option 1

Colombia (National Administrative Department of Statistics): Option 2

Finland (Statistics Finland): Option 1

Germany (Federal Statistical Office): Option 2

Indonesia (Statistics Office of Indonesia): Option 2

Israel (Central Bureau of Statistics): Option 2

Latvia (Central Statistical Bureau of Latvia): Option 2

Lebanon (Central Bank of Lebanon): Option 2

Malaysia (Department of Statistics): Option 1

Malaysia [*institute unspecified*]: Option 2

Myanmar [*institute unspecified*]: Option 2

Nederland (Statistics Netherlands (CBS)): Option 2

Norway (Statistics Norway): Option 2

Pakistan (Budget Wing Ministry of Finance): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 1

Palestinian Authority (Palestinian Central bureau of statistics): Option 2

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Option 2

Romania (National Bank of Romania): Option 1

Romania (National Institute of Statistics): Option 1

Rwanda (National Institute of Statistics of Rwanda): Option 1

Singapore (Department of Statistics): Option 2

South Africa (South African Reserve Bank/Statistic South Africa): Option 2

The Netherlands (Dutch Central Bank): Option 2

Turkey (Turkstat): Option 2

Ukraine (State Statistics Service of Ukraine): Option 1

Viet Nam (General Statistics Office): Option 2

Q6B. PLEASE EXPLAIN THE REASONS FOR YOUR RESPONSE:

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Because each component has a different process in the national accounts.

Australia (Australian Bureau of Statistics): Australia supports option2. Rearrangement of transactions is done to reflect the economic substance and role of government in transactions, by looking through the administration arrangements to show the true intent of the transactions. It is sensible to provide guidelines on situations where transactions should be rearranged through government accounts and also provide advice on when this should not be done. There are example where Australia rearranges transactions,

noting that most of this is done through the source data making it crucial that any guidance is done collaboratively with the GFS community and guidance.

Brazil (Brazilian Institute of Geography and Statistics): In our country, we have several cases that fit the aforementioned scenarios (mainly in those in which the government stipulates a price - maximum or minimum - but has mechanisms to finance the difference between this price and the market price). Currently, these are mostly classified as subsidies. Therefore, it would be extremely important for the manuals to provide very specific and detailed instructions on the three proposed scenarios.

Canada (Statistics Canada): We agree on the principle that more guidance is needed in the GFS/SNA on the rearrangement/rerouting of transactions where government may mandate transactions between institutional units which otherwise would not take place when government is not directly involved in a transaction but is considered the principal agent (for example the redistributive role of fiscal policy). This serves the same purposes as the rearrangement of transactions related to the tax attribution principles and rerouting of social security contributions already discussed and recommended in the GFSM 2014.

The key challenge resides in defining the boundary for the rearrangement of transactions between non-government units mandated by government regulation. What can be interpreted as regulation (and here the definition/scope of it is important) can quickly expand to several aspects, for example redistributive, of fiscal policy and thus raise the question whether a rearrangement of transactions by compilers is desirable (such as for the examples mentioned in the guidance note; minimum wage, price regulation, etc.). These adjustments for compilers can quickly become very complex and time/resources consuming and can be highly subjective. Rearrangements of transactions must take into account the magnitude of the amounts involved as well as the analytical usefulness, not to mention the considerations/risks associated with the comparability of data between countries (rearrangement adjustments can be greatly influenced by the interpretation of the compilers and the methods used which can diverge considerably).

Chile (Central Bank): Despite that guidelines are important to understand and apply the concepts, we are not sure if it would be possible apply the criteria

Colombia (National Administrative Department of Statistics): Having these guidelines is desirable as it facilitates the exercises carried out by national accountants and contributes to similar situations.

Germany (Federal Statistical Office): It is useful to develop guidelines for some scenarios where payments should be rearranged through government accounts, and the accounting is currently not well-defined. This is particularly for the energy sector, e.g. feed-in tariffs and other government-mandated measures.

Indonesia (Statistics Office of Indonesia): the government as the legitimate owner of natural resources must be able to take advantage of the revenue and use it for the benefit of the state

Israel (Central Bureau of Statistics): Guidelines for some scenarios will be useful.

Lebanon (Central Bank of Lebanon): Providing scenarios and practical examples for determining which transactions should be rearranged through government accounts will reduce the practical challenges and the risks associated with rearranging transactions too widely.

Malaysia (Department of Statistics): Malaysia's transactions through the government accounts are based oh the government's code classification of revenue and expenditure following the Treasury Circular published by the Ministry of Finance Malaysia.

Nederland (Statistics Netherlands (CBS)): We support this options as it gives more clarity

Pakistan (Budget Wing Ministry of Finance): According to accounting standards all payments are made through pre audit system.

Palestinian Authority (Palestinian Central bureau of statistics): Registration is done according to the current guide and we have no change

Palestinian Authority (Palestinian Central bureau of statistics): We do not have any transactions that need to be re-registered

Palestinian Authority (Palestinian Central bureau of statistics): To locate the correct item in the Government Transaction Record

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Rearrangement of transactions should be a done on a case-to-case basis for practical reasons. Generally, countries are able to record general activities and corresponding transactions under the existing guidance. However, the arrangements of the many types of government transactions might not be standard across several countries. The most common types of specialized government transactions that may require rearrangement are the one's that should have further guidelines.

Romania (National Bank of Romania): No/low impact on external sector statistics.

Singapore (Department of Statistics): More guidance, e.g. scenarios, will be helpful to guide countries' compilation, this will allow greater clarity and comparability of figures compiled by different countries.

South Africa (South African Reserve Bank/Statistic South Africa): Although there are some practical challenges involved in categorizing which transactions to rearrange through government and could be some risk in rearranging transactions too widely across the economy there could be a significant benefit in providing additional guidance through examples on when transactions should be rearranged through government.

This option can greatly assist government officials to correctly allocate transactions and the different scenarios must cover a wide spectrum of transactions in developed as well as developing countries. It will provide clarity and additional information to assist in the statistical analyses.

The Netherlands (Dutch Central Bank): More clarity to when transactions should be rearranged is useful

Turkey (Turkstat): The government can act as a re-regulator in transactions between non-government units through taxes, subsidies etc. A guide can be detailed as to when guidance should be made in such transactions, which are mandated by the government.

Viet Nam (General Statistics Office): payments should be rearranged through the government accounts will help separate payments in more detail for better accounting and statistics

Q7A. SINCE YOU SELECTED "OPTION 2" AT Q6A, DO YOU AGREE WITH ALL THREE OF THE SCENARIOS OUTLINED IN THE GUIDANCE NOTE AS APPROPRIATE FOR REARRANGEMENT?

1. Yes
2. No
3. Unsure

Angola (National Statistic Office): Yes

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Yes

Australia (Australian Bureau of Statistics): Yes

Belgium (National Banque of Belgium): Yes

Brazil (Brazilian Institute of Geography and Statistics): Unsure

Canada (Statistics Canada): Yes

Colombia (National Administrative Department of Statistics): Yes

Germany (Federal Statistical Office): Unsure

Indonesia (Statistics Office of Indonesia): Yes

Israel (Central Bureau of Statistics): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Lebanon (Central Bank of Lebanon): Yes

Malaysia [*institute unspecified*]: No

Myanmar [*institute unspecified*]: Yes

Nederland (Statistics Netherlands (CBS)): Yes

Norway (Statistics Norway): Yes

Palestinian Authority (Palestinian Central bureau of statistics): Yes

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Unsure

Singapore (Department of Statistics): Yes

South Africa (South African Reserve Bank/Statistic South Africa): Unsure

The Netherlands (Dutch Central Bank): Yes

Turkey (Turkstat): Unsure

Viet Nam (General Statistics Office): Yes

Q7B. PLEASE PROVIDE AS MUCH DETAIL AS POSSIBLE.

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): We agree with the first scenario (Government may impose a tax on corporations in Sector B and use these funds to support corporations in Sector A).

Australia (Australian Bureau of Statistics): It will be crucial that the scenarios are clear and not open to broad versions of interpretation, for example the outline of scenario 2 has led to some confusion. There are also a very broad and often complex range of scenarios where it would be appropriate to rearrange the transactions and it will be important to make sure that there is scope in the guidance for compilers to apply discretion to unique cases.

Brazil (Brazilian Institute of Geography and Statistics): There are cases in which the rearrangement could occur among levels of government, not between government and other sectors. We have, for example, taxes under federal jurisdiction that are collected by states and local governments. Currently, we do not open the government sector by levels, but we intend to make this improvement in the base change of the national accounts and guidelines on how to deal with this kind of rearrangement would be very useful.

Canada (Statistics Canada): We agree on the three ((a), (b), and (c)) scenarios outlined in the guidance note. Overall, guidelines should be provided on a limited number of scenarios where payments should be rearranged through the government accounts and explain where this shouldn't be done. This guidance should ideally be based on concrete examples in certain countries or on a limited number of scenarios that are likely to apply to several countries. The guidance and scenarios used in the manuals must take into account the practical challenges of compilation associated with it, reminding the importance of being judicious before making adjustments of rearrangements according to the magnitude of the amounts involved and their analytical importance (similar to guidance on consolidation-related adjustments in GFS) and to bear in mind the importance of data comparability within countries (there are risks rearranging transactions too widely across the economy).

Colombia (National Administrative Department of Statistics): .

Germany (Federal Statistical Office): Agreement with Scenarios 1 and 2, but unsure about the feasibility of rearranging mandated transfers between corporations through the government accounts. In Germany, there are payments that do not flow into the state budget, but which are regulated by law like a tax and for which the use of the revenue is also regulated by law. This means that the unit that receives the payment administers it for the state. In our opinion, it should be made possible for such cases to be classified as a tax.

Indonesia (Statistics Office of Indonesia): A complete guide is needed so that there will be no misunderstanding and guidance in its use

Israel (Central Bureau of Statistics): The detailed guidance would ensure proper rearrangement record. Does the Scenario 1 imply net tax record that is a subject to rearrangement?

Lebanon (Central Bank of Lebanon): It is very beneficial to provide guidance on when transactions should be rearranged though government.

Palestinian Authority (Palestinian Central bureau of statistics): To locate the correct item in the Government Transaction Record

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): N/A.... (BOP Compilers do not do rearrangement (rerouting, partitioning, and reassignment)), this is more under the Government Finance Statistics Manual. BOP Compilers are not experts in this topic. However, more guidance for BOP Compilation in relation to this topic is always useful

Singapore (Department of Statistics): More time is required to look into the scenarios to determine their appropriateness.

South Africa (South African Reserve Bank/Statistic South Africa): Not familiar with these type of scenarios.

The Netherlands (Dutch Central Bank): The 3 scenario's outlined alone would already be helpful

Q8A. ARE THERE EXAMPLES IN YOUR COUNTRY/ECONOMY/REGION WHERE YOU HAVE EITHER ALREADY REARRANGED TRANSACTIONS THROUGH GOVERNMENT, OR WHERE YOU CONSIDER THAT IT WOULD BE HELPFUL AND MEANINGFUL TO REARRANGE?

1. Yes
2. No
3. Unsure

Angola (National Statistic Office): Yes

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): Unsure

Aruba (CBS): Unsure

Australia (Australian Bureau of Statistics): Yes

Belgium (National Banque of Belgium): Yes

Brazil (Brazilian Institute of Geography and Statistics): Yes

Canada (Statistics Canada): Yes

Chile (Central Bank): Unsure

Colombia (National Administrative Department of Statistics): No

Finland (Statistics Finland): Yes

Germany (Federal Statistical Office): Yes

Indonesia (Statistics Office of Indonesia): Unsure

Israel (Central Bureau of Statistics): Yes

Latvia (Central Statistical Bureau of Latvia): Yes

Lebanon (CENTRAL BANK OF LEBANON): Unsure

Malaysia (Department of Statistics): No

Malaysia [*institute unspecified*]: No

Myanmar [*institute unspecified*]: Unsure

Nederland (Statistics Netherlands (CBS)): No

Norway (Statistics Norway): Unsure

Pakistan (Budget Wing Ministry of Finance): Yes

Palestinian Authority (Palestinian Central bureau of statistics): No

Palestinian Authority (Palestinian Central bureau of statistics): Unsure

Palestinian Authority (Palestinian Central bureau of statistics): Yes

Philippines (Bangko Sentral ng Pilipinas (Department of Economic Statistics - External Sector Statistics Group)): Unsure

Romania (National Bank of Romania): Unsure

Romania (National Institute of Statistics): No

Rwanda (National Institute of Statistics of Rwanda): No

Singapore (Department of Statistics): No

South Africa (South African Reserve Bank/Statistic South Africa): Unsure

The Netherlands (Dutch Central Bank): No

Turkey (Turkstat): Yes

Ukraine (State Statistics Service of Ukraine): No

Viet Nam (General Statistics Office): Yes

Q8B. PLEASE PROVIDE AS MUCH DETAIL AS POSSIBLE.

Australia (Australian Bureau of Statistics): Some examples of cases where Australia has rearranged transactions through government include the payment of our paid parental leave scheme where payments are made to employees by employers on behalf of the government, workers compensation

scheme where premiums are paid on behalf of employees by employers to public schemes and private school funding where the payments are rearranged to a different level of government.

Belgium (National Banque of Belgium): In Belgium, we apply a rerouting for green certificats, as a tax on the electricity suppliers and a subsidy to the renewable energy generators.

Brazil (Brazilian Institute of Geography and Statistics): We have, for instance, incentive laws to certain activities via tax exemptions, in which the government enables that sector A enterprises transfer funds directly to other sectors (such as culture, sports, etc) and they could deduct these amounts from their income taxes payable. Currently, these amounts are not captured by government accounts. Another very relevant example refers to the deduction of expenses with education and health in the income tax payable by individuals. The households pay directly to hospitals, health insurance companies and schools and they can deduct part of these amounts from their total income tax payable. Once again, these amounts are not captured by Brazilian government accounts.

Canada (Statistics Canada): However, we do not have concrete examples to mention and of great analytical importance which presently pose an issue, or which constitute a significant understatement/undercoverage of the transactions which should be recorded in the macroeconomic general government accounts according to the principles/scenarios discussed in the guidance note. The cases encountered so far are supported by the guidance already existing in the GFSM 2014 and generally concern transactions (with economic agents outside the government/public sector) mandated by the government involving units/entities/funds which are classified/reclassified in the general government sector.

Chile (Central Bank): we have not discuss or assess this topic yet

Colombia (National Administrative Department of Statistics): .

Finland (Statistics Finland): Social insurance payments. There are cases where goverment has most risks and rewards of programme of a unit.

Germany (Federal Statistical Office): Feed-in tariffs (until 2022), Energy price caps (with funding of price differences by the government).

Indonesia (Statistics Office of Indonesia): o not know in its use in the government

Israel (Central Bureau of Statistics): The rerouting of social contributions through the households who are the parties who are contributing and who will receive the associated social benefits. Privatization of land: instead of net recording, there are gross value records and capital transfers to households and businesses.

Latvia (Central Statistical Bureau of Latvia): Case according to paragraph 65 a).

Lebanon (Central Bank of Lebanon): No further details available.

Pakistan (Budget Wing Ministry of Finance): All payments transactions are arranged/made after due diligence and after approval process

Palestinian Authority (Palestinian Central bureau of statistics): All transactions are recorded according to the current business directory. There are no transactions that need to be re-registered or fragmented

Palestinian Authority (Palestinian Central bureau of statistics): We do not have any transactions that need to be re-rearranged

Palestinian Authority (Palestinian Central bureau of statistics): There is a very complex relationship between the Israeli and Palestinian economies, where there is an intertwining of relations and crossings due to the restrictions of the occupation and the inability to control natural resources and the different spectrum of communications, especially in the designated areas. Sometimes we face a problem in classifying transactions and payments.

Romania (National Bank of Romania): At the moment we do not have such an example.

Singapore (Department of Statistics): Nil

South Africa (South African Reserve Bank/Statistic South Africa): We are not familiar with the practice in our country.

Turkey (Turkstat): Rerouting has been done to show the transactions between the original parties on social contribution payments and social aid payments to households. In addition, it is planned to reroute to government accounts that the premiums collected by non-government public unit as a compulsory payment in the first major revision. Yes it is helpfull and meaningfull.

Q9. DO YOU HAVE ANY OTHER COMMENTS AND SUGGESTIONS IN RELATION TO ASSESSING THE BORDERLINE BETWEEN TAXES, SALES OF SERVICES, AND OTHER GOVERNMENT REVENUES?

Arab Republic of Egypt (The Central Agency for Public Mobilization and Statistics): No

Australia (Australian Bureau of Statistics): The International Public Sector Accounting Standards Board (IPSASB) has recently issued a discussion paper about Natural Resources (hyperlink provided). We recommend reviewing this paper and, if there is an overlap with the guidance, consider liaising with IPSASB to get the most congruent outcome possible.

Brazil (Brazilian Institute of Geography and Statistics): We have approximately 5,570 local governments in our country, with different levels of quality in the provision of accounting information, so it would be useful if manuals included guidelines for when information is not disaggregated properly. Suggestions of alternative sources to disaggregate, for example, social contributions (employee and employer) or property income would be extremely helpful.

Canada (Statistics Canada): No thanks, nothing so far that hasn't already been mentioned/addressed in the previous questions.

Chile (Central Bank): No

Colombia (National Administrative Department of Statistics): It is desirable that a method be defined to establish the criteria for defining whether a payment is proportional or not.

Finland (Statistics Finland): Decision tree and rearranged transactions need more time to be able to develope to proper guidance.

Indonesia (Statistics Office of Indonesia): These limits must be clear, especially for the preparation of GDP

Israel (Central Bureau of Statistics): There is a need in an explicit decision tree as well as special cases treatment, for instance: local government revenues and government payments for hospitalization services to government owned hospitals.

Lebanon (Central Bank of Lebanon): No further comments.

Malaysia (Department of Statistics): No

Pakistan (Budget Wing Ministry of Finance): No

Palestinian Authority (Palestinian Central bureau of statistics): There are no comments or suggestions

Palestinian Authority (Palestinian Central bureau of statistics): There is no comment or suggestion because our country did not participate in the discussions that tookplace

Palestinian Authority (Palestinian Central bureau of statistics): no

Romania (National Bank of Romania): No.

Singapore (Department of Statistics): Nil

South Africa (South African Reserve Bank/Statistic South Africa): No further suggestions.
The use of practical examples in this the guidance note will be very helpful.

Turkey (Turkstat): No

Ukraine (State Statistics Service of Ukraine): No comments

Viet Nam (General Statistics Office): no comment