

Report on the Outcome of the Global Consultation on the Draft 2025 SNA/BPM7

2025 SNA Chapter 5 / BPM7 Chapter 4: Institutional units and sectors, economic territory and residence

50 (42 SNA and 8 BPM) comments were received from 18 (16 SNA and 2 BPM) respondents.

Question 1 – Have the agreed recommendations been reflected appropriately?

No substantive issues were raised.

No additional issues were raised.

Question 2 – Is the material in the chapter clear?

No substantive issues were raised.

Three minor additional issues were raised which are considered relevant for inclusion:

- Paragraph 5.40: It is proposed to add a reference to chapter 31.
- Paragraph 5.90: It is proposed to change “as an SPE” to “as special purpose unit (see paragraph 5.87)”, thus providing a more generic reference to such unit, instead of providing a more narrow reference to SPEs as defined in paragraph 5.86.
- Paragraphs 5.159 – 5.162: It is proposed to add a reference to MFSMCG, as follows: “For the definition of broad money and financial instruments included in it, reference is made to section B, chapter 6, MFSMCG.

Question 3 – Are there any errors in the chapter, or inconsistencies within this chapter or with other chapters?

Three substantive issues were raised:

Issue no 5(4).3.1: Figure 5.1 as well as the definition of SPEs in paragraph 5.86 seem to ignore the possible existence of SPEs created by government.

Proposed response: It is proposed to resolve the issue by making it clear in figure 5.1 as well as in paragraphs discussing SPEs that this does not refer to SPEs created by government.

Issue no 5(4).3.2: The terminology concerning households needs to be tightened.

Proposed response: In line with the suggestions made, it is proposed to use the following terms consistently throughout the 2025 SNA and BPM7:

- Households: The whole population of households
- Institutional households: Persons staying in hospitals, retirement homes, convents, prisons, etc. for long periods of time.
- Private households: All households other than institutional households.

Issue no 5(4).3.3: It has been noted, also in the past, that the estimation of the generation of freely available R&D by government using the sum of costs method may lead to undesirable results, if one assumes that R&D generated in the past is used in the

production of current year's R&D. Assuming constant labour input, R&D would continue to increase as a result of the depreciation (and return to capital) of the past R&D used in production of new R&D.

Proposed response: It is proposed to add a paragraph which states that this effect should be avoided when applying the sum of costs method. The most suitable allocation of such a paragraph would be the annex to chapter 4 and/or chapter 11 on the capital account.

Four minor additional issues were raised which are considered relevant for inclusion:

- Paragraph 5.38: It is proposed to change the wrong reference to “section C” to “paragraphs 5.112 to 5.127”.
- Paragraph 5.108: It is proposed to change “it may be most appropriate” to “it is most appropriate”.
- Paragraph 5.165 – 5.170: It is proposed to add a short clarifying sentence to paragraph 5.169 on the extent of investments in non-financial assets of non-MMF investment funds.
- Paragraph 5.178 (j): It is proposed to change the reference to “crowdfunding platforms” to “crowdfunding and peer-to-peer lending platforms”.

Question 4 – Are there any other concerns?

One substantive issue was raised:

Issue no 5(4).4.1: Questions have arisen in relation to the recording of fishing (under quota) in territorial waters by non-resident operators.

Proposed response: All of this is part of the discussion on the recording of biological resources yielding once-only products. Assuming the rights are provided for a certain period of time, without a change in legal ownership, the split-asset approach would be applied, and any depletion would be accounted for as production costs of the fishing industry, while part of the depletion would be transferred to the government, as a negative adjustment under rent, in proportion to the appropriation of the resource rent. It is proposed to add further explanations in chapter 27.

No additional issues were raised.

Disagreement with agreed recommendations for the update of the 2008 SNA – provided for information only

There was no recommendation regarding which five or more respondents disagreed. However, few respondents expressed disagreement, or had major concerns, with the following recommendations:

- The classification of real estate investment trusts as non-financial corporations, and not as non-MMF investment funds (four respondents).
- The description of the debtor-creditor approach (one respondent).

Substantive concerns with 8664 SNA text unaffected by agreed recommendations – provided for information only

There were no substantial concerns regarding the 8664 SNA text unaffected by agreed recommendations.

Other points for reflection:

Some respondents made additional comments or suggestions which will be considered during the editing process of the manuals:

- Consistency of the titles of the introductory sections to the chapters.
- Consistency in the way other manuals and handbooks are referenced.
- Consistency of text between chapter 5 and chapter 29 (e.g., electronic money institutions, peer-to-peer lending platforms, etc.).