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

Chapter 9: Transfer income accounts

36 comments were received from 14 respondents.

Question 1 – Have the agreed recommendations been reflected appropriately?

No substantive issues were raised.

One minor additional issue was raised which is considered relevant for inclusion:

- Paragraphs 9.67 and 9.79: Changes may need to be made, similar to the ones proposed for paragraphs 24.91 and 24.100 (see the report for chapter 24).

Question 2 – Is the material in the chapter clear?

No substantive issues were raised.

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

- Paragraph 9.24: It Is proposed to make clear that disposable income of households is not affected by the excess of SNA interest over bank interest on deposits and excess of bank interest over SNA interest on loans, which is related to mortgage loans (as the difference will be recorded as intermediate consumption of implicit financial services on loans and deposits in the production of owner-occupied housing services) and business loans and deposits (for which the implicit financial services on loans and deposits will also be recorded as intermediate consumption in the production activities of the household).
- Paragraphs 9.136 and 9.137: In response to a comment from one respondent, it is proposed to further align the description of remittances with the guidance of BPM7, as follows (changes highlighted by underlining):
    - To change the third sentence and the start of the fourth sentence of paragraph 9.136 from "They include regular remittances between members of the same family resident in different parts of the same country or in different countries, usually from a member of a family working in a foreign country for a period of a year or longer. Earnings remitted by seasonal workers to their families are not international transfers as the workers remain resident in their country of origin" to the following (changes highlighted by underlining): "They include regular remittances between <u>households resident</u> in different parts of the same country or in different countries, usually from a member of a family working in a foreign country for a period of a year or longer. Earnings remitted by <u>border</u>, seasonal, <u>other short-term and remote workers</u> to their families are not <u>personal</u> transfers as the workers remain resident in their country of origin".
    - To change paragraph 9.137 from "Transfers from non-resident households to resident households (and vice versa) are an item of considerable policy interest. In addition, supplementary items in the balance of payments are suggested for personal remittances and total remittances. Personal remittances from abroad are equal to personal transfers from abroad plus

remuneration of employees from abroad less taxes and social contributions related to employment paid abroad less transport and travel expenditure by the employees plus capital transfers received from households. Personal remittances thus show the total flows into an economy from households abroad or from a member of the household working abroad for part of the year. Total remittances from abroad are equal to personal remittances plus social benefits (including pensions due from abroad in relation to earlier work abroad by a member of the household). Payments to abroad are defined correspondingly. For more details, reference should be made to chapter 33 and to BPM7" to the following (changes again highlighted by underlining): Transfers from non-resident households to resident households (and vice versa) are an item of considerable policy interest. Supplementary items in the balance of payments are suggested for personal remittances and total remittances. Personal remittances are equal to personal transfers from non-residents plus remuneration of employees from abroad less taxes and social contributions related to employment paid abroad less transport and travel expenditure by the employees plus capital transfers received by households from non-resident households. Total remittances from abroad are equal to personal remittances plus social benefits (including pensions due from abroad in relation to earlier work abroad by a member of the household). For more details, reference should be made to chapter 33 and to BPM7 annex 4 and chapter 13."

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

No substantive issues were raised.

One minor additional issue was raised which is considered relevant for inclusion:

- Paragraph 9.10: The precise definition of capital transfers was still pending discussion in the context of the glossary of terms and definitions. This has now been resolved, and the following definition will be applied consistently throughout the 2025 SNA: "Unrequited transfers, either in cash or in kind, linked to the acquisition, disposal or transfer of an asset (other than cash or inventories); or where a liability is forgiven or assumed; or where the transfers are intended to address accumulated losses incurred over a multi-year period". By the way, the same issue is relevant for the definition of current transfers.

Question 4 – Are there any other concerns?

No substantive issues were raised.

One minor additional issue was raised which is considered relevant for inclusion:

- Paragraph 9.66 c): It is proposed to include a reference to "TV and radio licenses".

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

There were no recommendations regarding which five or more respondents disagreed.

Substantive concerns with 2008 SNA text unaffected by agreed recommendations – provided for information only

There were no substantial concerns regarding the 2008 SNA text unaffected by agreed recommendations.

Other points for reflection:

One respondent noted that a reference to paragraphs was not correct. In this respect, it should be noted that all references will be checked and updated, once the chapters, including paragraph structure, have been finalized.

In view of some comments regarding the delineation of taxes, it may be considered useful to have a final review of the relevant text by the GFS-experts from the IMF, especially in respect of its consistency with GN WS.14. This would particularly concern paragraphs 9.55 to 9.56 and paragraphs 9.60 to 9.62 (and similar paragraphs in chapter 8).