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

2025 SNA Chapter 22 / BPM7 Chapter 16 Digitalisation

32 (27 SNA and 5 BPM) comments were received from 13 (11 SNA and 2 BPM) respondents.

Question 1 – Have the agreed recommendations been reflected appropriately?

No substantive issues were raised.

No additional issues requiring changes to the current text were raised.

Question 2 – Is the material in the chapter clear?

Five substantive issues were raised.

Issue no. 22(16).2.1: The section on AI does not mention or explain AI services.

Proposed response: The words "including artificial intelligence computing services" will be added to the end of the next-to-last sentence of the first paragraph of the cloud computing section (paragraph 22.12). (AI is an intensive user of cloud computing resources.) The sentence would then say: "Cloud computing services are used in the production or delivery of many of the digital services delivered over the internet, including artificial intelligence computing services."

A few words on generative AI will be added to the next-to-last sentence of paragraph 22.33. It would then say (changes highlighted by underlining): "Furthermore, deep learning (a type of machine learning) enables some AI programs to improve from experience while being used in production, whereas generative AI creates new content."

Paragraph 22.34 will be expanded, so that the second sentence would say (changes highlighted by underlining): "Among these are text mining, computer vision/image recognition, speech recognition, natural language processing, personalized recommendations, and generating content generation such as summaries of documents, images and software codes using with the help of generative AI."

Issue no 22(16).2.2: In paragraph 22.44, reference is made to the fact that platforms differ from other producers operating digitally. However, the latter are not defined anywhere in the text, so this may lead to some confusion. A solution could be to add a definition or to refer to the Handbook on Digital SUTs where people can find more information.

Proposed response: The last sentence of paragraph 22.7 already discusses "other producers operating only digitally" as part of the digital SUTs, and paragraph 22.3 mentions the Handbook on Digital SUTs. Some clarifying words in parentheses will be inserted in that sentence of paragraph 22.7, so that it says: "In addition, the analysis of digital industries discussed as part of the digital SUTs includes a row for producers dependent on DIPs and a row for other producers operating only digitally (i.e., whose products are all digitally ordered and digitally delivered)."

As for paragraph 22.44, the word "other" will be avoided by changing the sentence that mentions other producers operating digitally to say (changes highlighted by underlining): "They also differ from ~~other~~ producers ~~operating digitally~~ that sell their own products directly to the ultimate customer via digital ordering and/or digital delivery, because they intermediate, rather than produce, the goods and services sold on the platform."

Issue no 22(16).2.3: Paragraph 22.81 notes that, while funds advanced to project owners on reward-based platforms do not qualify as loans, as the project owner's obligation to supply the reward is contingent on the successful completion of the project, one wonders whether it should be recorded as a different type of asset (e.g., option or a form of equity)? Or is it fully a contingent liability? And what happens if the project is successful? Does this lead to the creation of an other accounts payable/receivable? Some more text may be useful here.

Proposed response: In the BPM and SNA, trade credits and advances – a component of other accounts receivable/payable – refer to prepayments by customers for goods and services not yet provided. It is considered therefore that funds advanced to project owners on reward-based platforms should be treated as other accounts receivable/payable. If the project fails, the payable/receivable is written off as an OCV rather than consumed by the funder. Paragraph 22.81 will be clarified along these lines.

Issue 22(16).2.4: Paragraph 22.85 discusses "security crypto assets" that are described as "tokens certifying ownership of a financial instrument". They always have a corresponding liability and should be recorded as debt securities, equity securities, or financial derivatives depending on the nature of the claim on the issuer". Clarity is sought on the recording of tokens.

Proposed response: The last two sentences of paragraph 22.85 will be amended as follows (changes highlighted by underlining): "Security crypto assets represent a debt or equity claim on the issuer ~~are tokens certifying ownership of a financial instrument~~. They are similar to traditional securities but exchanged peer-to-peer using cryptography. They are also referred to as security, asset or investment tokens. They always have a corresponding liability and should be recorded as debt securities, equity securities, or financial derivatives depending on the nature of the claim on the issuer. New security tokens issued for raising additional capital using blockchain technology that represent ownership in the company are also included under security crypto assets and should be recorded as equity securities."

Issue 22(16),2.5: For section "Measuring quality change in ICT goods and goods with ICT components", there seems to be a lot of overlap with the previous section's paragraphs 22.91, 22.92 and 22.93. Perhaps these paragraphs could be merged by incorporating the key points of 22.95 and 22.96 into 22.91-22.93.

Proposed response: This suggestion is accepted and appropriate changes will be made.

Nine minor additional issues were raised which are considered relevant for inclusion:
- Paragraph 22.6: It is proposed that the first sentence be re-written to "E-commerce transactions are equivalent to digitally ordered transactions".

- Paragraph 22.22: It is proposed that "Digitized information" be replaced with "Data" in the last sentence.
- Paragraph 22.24: It is proposed that the words "... by extracting insights ..." be replaced by "... by using the data, for example by extracting insights ...".
- Paragraph 22.29. It proposed to delete the second sentence, as it requires background knowledge and it is not necessary in this context.
- Paragraph 22.35: The first sentence states: "the transformative impact of AI calls for the provision of granular data" The paragraph goes on to state that "separate reporting of AI is encouraged as an "of which" item. Questions were raised to what granular data reference is made, and to whom the reporting should be done? Is the reporting referring to the granular data the first sentence calls for? Moreover, how would an "of which" item for AI assets inform analysis of labour markets, the purpose set out on the first sentence of the paragraph? In response to these comments, it is proposed that the first two sentences of 22.35 will be rewritten to ensure clarity.
- Paragraph 22.48: It is proposed to amend the first sentence as follows (changes highlighted by underlining): "The output of a DIP consists of digital intermediation services, which ~~are recompensed through a fee~~ may be charged via an explicit or implicit fee."
- Paragraph 22.49: It is proposed to add after the first sentence the following sentence: "Nonfinancial DIPs often charge implicit fees by accepting buyers' payments for the goods and services produced or sold by platform users and deducting their intermediation service fee from the amount passed through to the producer/seller."
- Paragraph 22.83: It is proposed to amend the second sentence as follows: "Medium of exchange is defined as a means for acquiring ~~nonfinancial assets (goods, merchandise equipment, etc.),~~ goods and services, other non-financial assets, and financial assets without resorting to barter".
- Paragraphs 22.112-22.113: It is proposed to add a reference to the Digital SUTs handbook where people can find more information on the definition of these categories.

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

Two substantive issues were raised.

Issue no 22(16) 3.1: Paragraphs 22.23 – 22.25 seems to include an inconsistency. Paragraph 22.23 mentions that the DBMS is not included in databases (under software) and that databases do not include the underlying data. In paragraph 22.24, however, mentions examples of the valuation of data being embedded in other fixed asset (IPPs) which would suggest that that should be treatment for database assets. Paragraph 22.25 somewhat bridges the two and tries to clarify the treatment but it seems that rewording the text would make it clearer from the start.

Proposed response: It is not considered that there is an inconsistency. However, the text will be reviewed to ensure clarity.

Issue no 22(16).3.2: Paragraph 22.87 states the following: "All types of crypto assets are within the SNA asset boundary." One respondent wonders whether this is true, as some types of NFTs are not regarded as an asset. Maybe reference should be made to all fungible crypto assets that are within the asset boundary?

Proposed response: This will be clarified as suggested.

Three minor additional issues were raised which are considered relevant for inclusion:
- Paragraph 22.22: It is proposed to delete "organizing" from the first sentence, as organizing relates to databases and not data.
- Paragraph 22.23: It is proposed to amend the paragraph as follows (changes highlighted by underlining): "Data is produced when information on observable phenomena (OP) such as facts, behaviours, and characteristics is recorded, ~~organized,~~ and stored in digital format. In the next step in the data-information value chain, database<u>s</u> ~~assets~~ are created by structuring and ~~formatting~~ <u>organizing</u> the data to enable efficient retrieval and analysis. Databases consist of files of data organized in such a way as to permit resource-effective access and analysis. They do not <u>include the cost to obtain and produce</u> the data or the <u>cost of the</u> database management system (DBMS) software. The cost of producing databases includes planning and implementing the structure and design of the database and preparing the data to facilitate its analysis".
- Paragraph 22.98: It is proposed to amend the last sentence as follows (changes highlighted by underlining): "Obsolescence causes <u>both</u> the <u>value and corresponding</u> volume of an asset to decay."

Question 4 – Are there any other concerns?

No substantive issues were raised.

Three minor additional issues were raised which are considered relevant for inclusion:
- Paragraphs 22.21 – 22.32 provide what could be considered the definitive discussion of the nature and treatment of data, and should be used as the source for text when data is introduced into other chapters, e.g., paragraphs 8.172, and paragraphs 11.114 – 11.118. Chapter 22 helpfully references chapters 11, 12, 13 and 14 regarding CAWLM. It would be useful to add cross-references from those chapters to relevant parts of chapter 22.
  Proposed response: Where considered useful, additional crossreferences will be added in further editing.
- Paragraph 22.78: It is proposed to add to the end of the first sentence: "or act as a store of value".
- Paragraph 22.78: It is proposed to add to the end of the second sentence "or one of a wide variety of new electronically transferable digital financial instruments".

Disagreement with agreed recommendations for the update of the 2008 SNA/BPM6 – provided for information only

One responded noted the following regarding crypto assets without liabilities: From the conclusions of the joint AEG/BOPCOM meeting of March 2023 "*The national accounts*

and balance of payments communities to monitor developments relating to non-liability crypto assets and review the recommendation in case there are significant market, regulatory and/or accounting changes that may justify a revision either before or after the release of the manuals in 2025." The recent developments in the crypto asset markets (e.g. creation of bitcoin ETFs, development of crypto lending platforms) make it advisable to reopen the discussion on the classification of bitcoin and similar assets.

Proposed response: The treatment of bitcoin et al has been discussed at length and such new crypto instruments are not considered to merit reopening the debate on this issue at this late stage of the process.

Substantive concerns with 2008 SNA/BPM6 text unaffected by agreed recommendations – provided for information only

No respondents expressed concerns with 2008 SNA/BPM6 text that was unaffected by the agreed recommendations for the update.

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.
- The use (or otherwise) of codes for financial instruments.
- Should the proposed data compilation manual be referenced, since other sections that have related compilation manuals refer to them? The 2008 SNA typically only refers to manuals already in existence, so there is a question about what to do with manuals that are likely to become available around the time that the 2025 SNA is finalized.