

Report on the Outcome of the Global Consultation on the Draft 2025 SNA/BPM 7

2025 SNA Chapter 26 / BPM7 Chapter 17: Islamic finance

19 (14 SNA and 5 BPM) comments were received from 5 (4 SNA and 1 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 identified.

Question 2 – Is the material in the chapter clear?

One substantive issue was raised.

Issue 26(17).2.1: Paragraph 26.10 One commentator suggested that Shari’ah-compliant pension funds exist and the text does not delve into such funds.

Proposed response: A pension fund is Shariah-compliant if it only invests in instruments that comply with Islamic finance principles. While this would appear to be covered by the sentence “The central bank (S121) and pension funds (S129) are not explicitly discussed below, as these are not specific to Islamic finance except perhaps for some of their investments.”, it is proposed to add, in paragraph 26.10, the following: “If a pension fund only invests in financial instruments that comply with Islamic finance principles, it could be considered Shariah compliant”.

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

- Paragraph 26.38: It is proposed to change the specific reference to paragraph 7.183 to a more general reference to paragraphs 7.179 to 7.188.
- Paragraph 26.57: It is proposed to drop the word ‘only’ in the last sentence, giving: “Restricted mudaraba deposits held on-balance-sheet should be classified as Other deposits (F29)”
- Paragraph 26.76: It is proposed to amend the second sentence as follows: “Restricted Mudaraba that are held off-balance sheet should be classified as Shares (equity) ~~if considered part of the own funds of the financial institution.~~”

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

No substantive issues were raised.

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

- Paragraphs 26.4 and 26.42: It is proposed to replace ‘FISIM’ with the new terminology. Note: this change has already been made.
- Section D: It is proposed to change the heading to: "D. The nature of returns on Islamic instruments in the allocation of earned income account". Note: this change has already been made.

Question 4 – Are there any other concerns?

No substantive issues were raised.

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

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

No respondents expressed disagreement with the agreed recommendations for the update of the 2008 SNA/BPM6.

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

No respondents expressed substantive concerns with aspects of the 2008 SNA/BPM6 that were unaffected by the agreed recommendations for the update.