Analysis of the responses

Overall, there is nearly a consensus of the AEG members who participated to respond “yes” to the four questions. In formal terms of majority/minority, one can therefore conclude that (the respondents of) the AEG agree with the four statements. However, one can note some interesting comments and two disagreements.

**Question 1** was: “Do you agree with the principles of recording market based standardized guarantees exactly as insurance, as shown in accounts 1 and 2 of the present paper?”

All responses were positive. While in global agreement, one response suggests that, contrary to the example illustrated by the account 1 of the background paper, the claim (D72) should be recorded as paid to the debtor when it is the debtor who pays the fee and that one records, correspondingly, a reimbursement of the loan by the debtor to the creditor. This remark is, in my view, fully acceptable if this is effectively what is happening in terms of cash. In order to allow for this remark to be taken up, I would thus propose that the text of the SNA precises that “the claim is recorded as received by the debtor or the creditor depending on the actual effective flows”.

**Question 2** was: “Do you agree that, in the general case, no imputation of subsidy or transfer is made in case of government sponsored agencies, as shown in account 4 of the present paper?”

10 responses are positive over 12. There is one negative response which proposes to record systematically an imputed subsidy, but without new arguments. There is one “No opinion” with some comments which are not contradictory with the proposal. One can conclude therefore that, in the general case, there is overall agreement to not impute a subsidy or a transfer when there is no effective subsidy or transfer. In other words, only effective subsidies or capital transfers between the government and the agency are to be recorded, and this, only when they occur.

**Question 3** was: “Do you agree that, if the government itself records a provision for standardized guarantees, then the SNA would record this provision as a financial liability and record a corresponding transfer, as shown in account 5 of the present paper?”.

This question was to be interpreted as a “however” to the previous question: in other words, when the government itself records a quasi-liability (“provision”) relating to standardized guarantees, then one should record a liability in the SNA and an imputed transfer. 10 responses were positive, 2 no opinions (without any comments). One can therefore conclude that there is overall agreement to consider the fact that the government records a provision as a criterion to record a liability in the SNA. One interesting technical remark proposes that, in this case, rather to record the financial liability in terms of the new category “provisions for calls under standardised
guarantees” (F63) and the corresponding non financial transaction as “net premiums” (D71), these should be recorded as “Other accounts receivable/payable” (F7) with a corresponding subsidy (D39). While this alternative recording is possible, it would be, in my view, unfortunate to classify these operations in general categories such as “Other accounts payable/receivable” and “subsidies on production”. Indeed, the relation with standardized guarantees would be lost.

**Question 4** was: “Do you confirm that if an agency (or part of an agency, if this part can be considered a separate institutional unit) specialized in standardized guarantees is controlled by the government, and charges fees that are significantly below the costs (in terms of expected calls plus administrative costs) and is thus funded, partially or fully, by government appropriations, is should be classified inside the general government?”

11 responses were positive, one response was negative (and proposes to classify these units as financial corporations whatever). Several comments were added precising that the normal rules for classifying units inside general government should apply to these units. These comments are not contradictory to the proposal. One could therefore propose that the SNA simply reminds the reader that: “The standard decision tree for classifying units inside the government should apply to institutional units engaged in standardized guarantees, in particular when the unit is controlled by the general government and charges fees that are not economically significant (i.e. that are significantly below the estimated market price), then the unit should be classified inside the general government sector.”