

SNA/M1.06/30.2

**Fourth meeting of the Advisory Expert Group on National Accounts
30 January – 8 February 2006, Frankfurt**

Issue 44
Financial assets classification

**REPORT ON e-DISCUSSION ON
NON-MONETARY GOLD**

United Nations Statistics Division

**Update of the 1993 SNA – Issue No. 44
Jan-Feb 2006 AEG meeting, Frankfurt**

Report on e-discussion on Non-Monetary Gold

United Nations Statistics Division

Introduction

1. Inclusion of all gold transactions between residents and non-residents as imports and exports of goods would seriously distort the economic accounts of those countries with large international markets in gold. The BOPCOM considered the issue relating to distortion of physical trade statistics due to the inclusion of all bullion market transactions undertaken between resident and non resident counterparties. It has been proposed that a clarification should be made to the *1993 SNA* to state that:

- Unallocated metal accounts should be classified as a financial asset/liability, specifically, a deposit,
- Allocated metal accounts, held outside the central bank (S.121), should continue to be regarded as ownership of the metal as a non-financial asset.

Response received

2. Aforesaid proposals were referred (document no. SNA/M1.06/30.1) to the AEG members soliciting their opinions through a questionnaire. The questions asked of AEG members and responses received through e-discussions have been summarized in the following table.

Table: Questions asked of the AEG members and response received as on 24 January 2006

No.	Question(s)	Response received			
		Total	Agree	Disagree	No opinion
1	Do you agree that unallocated gold accounts should be classified as financial assets/liabilities?	20	16	-	4
2	Do you agree that unallocated metal accounts should be also classified as financial assets/liabilities?	20	16	-	4
3	Do you agree that other forms of unallocated electronic commodity accounts, if such exist, should be also classified as financial assets/liabilities?	20	7	3	10
4	Do you agree that if any unallocated commodity accounts are classified as financial assets/liabilities, should they be classified as deposits?	20	7	-	13

No.	Question(s)	Response received			
		Total	Agree	Disagree	No opinion
5	Do you agree that if any unallocated commodity accounts are classified as deposits, should they be classified as foreign currency deposits?	20	9	2	9
6	Or if any allocated commodity accounts are classified as deposits, is there a need to assign a specific deposit class?	18	9	-	9
7	Do you agree that if any unallocated commodity accounts are classified as foreign currency deposits, should the description of the classification be changed to "foreign currency and other"?	20	12	-	8

Conclusions

4. The AEG members participating in the e-discussion overwhelmingly supported two proposed clarifications, namely:

- unallocated gold accounts should be classified as financial assets/liabilities, and
- unallocated metal accounts should be also classified as financial assets/liabilities

On the other five proposed clarifications, there was a substantial number who did not have an opinion. In this situation, consideration will have to be given about how to proceed.

An extract of comments made by AEG members is annexed.

Extract of Comments Made by AEG Members in the Questionnaire

The original response and full comments are available on the UN website¹. The objective of this annex is only to give limited extracts to encourage readers to read the full comments of the AEG members.

Question 1

- Explanation should be provided as to why trading in unallocated gold accounts are not treated as trading of financial derivatives where options trading have gold (or other commodities) as underlying assets.
- Some more clarification is needed on this issue.

Question 2

- The new SNA should include reference to the basic concept.

Question 3

- The question should be revisited by the ISWGNA when such accounts are identified and described.

Question 4

- More work is required to establish that these accounts satisfy the general concept of deposits. For example, FISIM would unlikely be relevant for these accounts. Does this matter?

¹ <http://unstats.un.org/unsd/sna1993/viewvote.asp?tID=44&stID=1&sstID=0>