

**Comments on draft SNA chapter:  
Chapter 11: The financial account**

**Deadline for comments: 12 February 2007  
Send comments to: [sna@un.org](mailto:sna@un.org)**

Your name:	Gallo Gueye
Your country/organization:	Eurostat
Contact (e.g. email address):	<a href="mailto:gallo.gueye@ec.europa.eu">gallo.gueye@ec.europa.eu</a>

This three-part template allows you to record your comments on draft chapter 11 easily and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any one, any two, or all of the three parts of the template.

Save this template and send it as an attachment to the following e-mail address: [sna@un.org](mailto:sna@un.org)

**Part I: General comments**

In the space below, please provide any general comments, such as about the clarity with which the new recommendations were incorporated (30 words or less).

*Comment:*

- It is difficult to check the general consistency when all chapters concerned (e.g. 17, 21 covering securitisation in public sector?) are not yet available. This may need to be checked again.
- It would be useful to recall some general and theoretical considerations in chapter 26 also in chapter 11 (such as on Money in paragraphs 11.56 and 11.57 in the current SNA).
- The **general structure** is rather different from corresponding Chapter XI in SNA 93, especially in the emphasis on new financial instruments. Although it is quite necessary to explain the basic principle of financial derivatives or stock options (for instance), it might not be necessary to give too many details inside a conceptual manual on innumerable instruments whose specific nature may change or evolve depending on countries or time.

## **Part II: Comments on specific draft paragraphs or passages**

In your review of draft chapter 11, you may wish to devote particular attention to the passages listed below. There is space after each issue for any comment you wish to make.

1. One of the points that has been under discussion even as the chapter was being draft was the treatment of inter-bank deposits. Are you satisfied with the inclusion of inter-bank deposits under currency and deposits for the reasons explained in section C2?

*Comment:*

Following the AEG recommendation on issue 44©, further clarifications should be provided on how the distinction between deposits and loans can be made especially for transactions between financial institutions.

2. Is there sufficient, too much or too little detail on the different types of debt securities in section C3?

*Comment:*

<ol style="list-style-type: none"><li>1. The part on securitisation (§ 11.51) may need further elaboration.</li><li>2. The classification according to maturity into short-term and long-term is presented only as a supplementary sub-classification, i.e. <b>optional</b> in fact (§ 11.63), whereas the AEG recommended for SNA issue 44 to adopt explicitly this distinction.</li></ol>
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3. Is the coverage of the items related to insurance, pension and standardised guarantees satisfactory? (There will be an overview of all items relating to these schemes in chapter 17 on Cross-cutting and Other Special Issues).

*Comment:*

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4. Sections F to I describe briefly other possible dimensions to the accounts.

*Comment:*

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5. Do you agree to moving the section on flow of funds from this chapter to one (chapter 26) dealing with the link between the SNA and monetary and financial statistics?

*Comment:*

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### **Part III. Other specific comments**

You are welcome to make other comments. Please do so by using Adobe Acrobat Version 6 or 7 to comments directly on the PDF of the draft chapter.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make very detailed comments please send a message to [sna@un.org](mailto:sna@un.org) requesting to receive a version of the draft chapter permitting you to comment. To optimize your commenting tools please download Adobe Reader 7.0 for free from

<http://www.adobe.com/products/acrobat/readstep2.html>

*Other specific comments:*

- § 11.1: The wording of the presentation of financial accounts within the sequence of national accounts could be clearer. In particular, the emphasis on the idea of "carrying forward" the **balancing item** may be confusing in the sense that it doesn't show that both financial and non-financial accounts are 2 symmetrical approaches to the economic reality which lead to two (spontaneously) different measurement of B9 balancing item. Furthermore, the expression: "the [B9] is the balancing item that is carried forward from the capital account to the financial account" is misleading for it entails that we have a basic continuity of non-financial accounts towards financial ones (one single logical sequence of accounts), and that the financial account could be recorded upward from the bottom to the top of the financial sequence.
- § 11.13: Similarly, the last sentence at the end of paragraph seems erroneous. It should be a "net lending" and not a "net borrowing" balance of 5.