

**Comments on draft SNA**  
**Chapter 21: Measuring corporate activity**

**Deadline for comments: 7 November 2008**

**Send comments to: [sna@un.org](mailto:sna@un.org)**

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Submission date:	

This template allows you to record your comments on draft SNA chapter 21 “Measuring corporate activity” 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 or all parts of the template.

There is no file comparing existing text with draft text for this chapter because the draft is largely new text.

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. This may cover e.g. the structure of the chapter, issues missing and (lack of) consistency with other chapters of the 2008 SNA.

*General comments:*

General comment	<p>Suggest that more discussion is required around corporate groups focusing on intra group accounting.</p> <p>Discussion of trends in corporate structure would be useful e.g. Outsourcing. For example, there are big corporations with lots of activity and zero employees.</p>
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## Part II: Comments on specific draft paragraphs and sections

All comments on specific draft paragraphs are welcome. They can be about e.g. scope, content and clarity. Proposing a concrete alternative text or table is also possible. For the paragraphs in separate sections, separate forms are used for providing and collecting comments (see below).

### A. Introduction (paragraphs 21.1-21.6)

General comment	
21.1	
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\* Insert rows in this Word table for each paragraph on which you wish to comment.

### B. The demography of corporations (paragraphs 21.7-21.22)

General comment	
21.12	Suggest that in the second sentence that 'they' be replaced with 'the net proceeds' to provide clarity.
21.14	Implied notion is not that straight forward. There has to be transactions and reclassification of the <b>equity</b> at the same time. The notion in paragraph 21.22 needs to be extended to nationalisation and privatisation.  Worked examples for nationalisation and privatisation may be of use here.
21.15	In privatisation, the government sell a public sector share/unit but the shareholder buys a private sector share/unit. There is not only a transaction recorded but also a classification change.
21.22	Suggest that the notion of 'transaction in the equity of the two corporations involved need to be recorded in the financial accounts and, possibly, a change of classification by sector in the other changes in volume of assets account' needs to be explicit in the nationalisation and privatisation paragraphs before.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

### C. Sub-sectors (paragraphs 21.23-21.26)

General comment	
21.25	Disagree with the second view in providing a long time series where current definitions of publicly controlled corporations are used whether or not they were publicly controlled for the whole period. Suggest that this could be done as a supplement, because inclusion will make the remainder of the accounts incoherent.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

### D. Relations between corporations in different economies (paragraphs 21.27-21.45)

General comment	There seems to be a strong focus on FDI, perhaps to a level of detail that is not necessary in the SNA. FDI is covered extensively by BPM and it is not necessarily an integrated part of the SNA.
21.34	Suggest that in the second sentence 'distorts' be replaced with 'changes'.

\* Insert rows in this Word table for each paragraph on which you wish to comment.

#### **E. The contribution of assets to production (paragraph 21.46)**

General comment	
21.46	
*	

\* Insert rows in this Word table for each paragraph on which you wish to comment.

#### **F. The consequences of financial distress (paragraphs 21.47-21.53)**

General comment	
21.51	Suggest that the word 'market' be removed from 'market value' as the <b>value</b> of the loan is overstated.
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\* Insert rows in this Word table for each paragraph on which you wish to comment.

#### **G. Links to commercial accounting (paragraphs 21.54-21.59)**

General comment	
21.54	
*	

\* Insert rows in this Word table for each paragraph on which you wish to comment.

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

You are welcome to make other specific comments. To assist you in doing so, the following points are provided as a guide to the types of points on which you might wish to comment. Note, though, that you are not restricted to commenting on only these points.

#### **1. Are the examples of how to record changes in corporate structure clear and sufficient?**

Not completely. See detailed comments.

#### **2. Is the description of FDI adequate as an introduction to the fuller description in the benchmark definition?**

Should just be a brief summary and a reference to other documents.

**3. Should there be more discussion about the consequences of financial distress?**

There should be some discussion of analytical measures that can be derived from SNA compliant data: debt/equity, earnings/equity, drivers in the changes to net worth over time, etc.

*Specific comments:*

Specific comments	Click here and start typing.
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You are also welcome to comment directly on the PDF file of the draft chapter. Please do so by using Adobe Acrobat Version 6 or 7.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to [sna@un.org](mailto:sna@un.org) requesting a version of the draft chapter that permits 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>