

**Comments on draft SNA chapter:  
Chapter 26: The rest of the world accounts**

**Deadline for comments: 26 September 2008  
Send comments to: [sna@un.org](mailto:sna@un.org)**

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Submission date:	26 September 2008

This template allows you to record your comments on draft SNA chapter 26 “The rest of the world accounts” 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	Many of our comments are editorial, but there is one problem that we think is significant—the omission of discussion of compensation of employees in the section on primary income (see comment on paragraph 26.47).
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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 26.1-26.6)

General comment	In Table of Contents, add dot leaders after “A. Introduction” and “2. Units”
26.5	Consider “. . . the introduction of functional categories that differentiate among several different types of investment, which may differ in their motivations and characteristics.” (Current wording suggests that there is only one category.)
26.6	Debt reorganization (in contents) or debt reorganisation (here) – use consistent spelling throughout

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

### B. Accounting principles (paragraphs 26.7-26.34)

General comment	Click here and start typing.
26.12	The 1 <sup>st</sup> sentence should read “Transactions, positions and income for financial assets and liabilities are presented primarily according <b>to</b> the international accounts...”  Insert blank line after “e. Reserve assets.”
26.15	In sen. 1, change “immunity” to “a high degree of exemption from” (see BPM6 para. 4.5(c)).
26.18	In sen. 2, consider inserting “regarded as” after “not”.
26.23	Can specificity be added to “If necessary”? (for example, by indicating the kind of circumstances that would make it necessary.)
26.25	Last sentence: “globalization,” (or with an “s”)

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

### C. Structure of the international accounts (paragraphs 26.35-26.66)

General comment	Click here and start typing.
26.36	Sentence 3 might read better as “...whether the products will eventually be used for intermediate consumption, final consumption, capital formation, or <b>will be</b> reexported is unknown...”

26.39	On the last line, insert “records” after “payments”.
26.45 & 26.46	Delete “United Nations” before <i>MSITS</i> , which is a joint standard of several organizations (notwithstanding any special UN role in publication).
26.46	AMNE and FATS statistics are not just closely related, but basically synonymous.
26.47 et seq.	There should be some reference in this section to compensation of employees, and not only property income. It might help to precede mention of either of these with a reminder of the conceptual definition of primary income. Then the different types of primary income might be discussed in the order that they appear in BPM6, where rent is discussed after compensation and investment income. BPM6 includes a fairly detailed discussion of rent, so it probably should not be referred to here as an almost nonexistent type of international transaction.
26.50	Next to last sen. – Can the meaning of “excluded” be clarified? (i.e., whether it means excluded from the calculation of net income or excluded because it is viewed as a cost)
26.52	Perhaps drop “on either a short-term or long-term basis,” since, as explained in 26.54, the “remittances” of the short-term workers aren’t recorded as secondary income.
26.61	Consider deleting “as the term “stocks” is associated with shares.” (“Positions” is widely used to describe investment holdings, and it probably was not to avoid confusion with shares that it was chosen instead of “stocks”).
26.69	The key point seems to relate to the purpose of reserve assets and not how they are managed, which may vary from time to time or from one country to another. Consider deleting “are managed as a whole and”.
26.74	In the last sentence, the second instance of “group” should read “enterprises.”

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

#### D. International accounts functional categories (paragraphs 26.67-26.84)

General comment	Click here and start typing.
26.76	“approximately correspond to” may overstate the degree of correspondence, given that DIES are defined using a 10 percent ownership threshold and FCEs, using a 50 percent threshold.
26.75	In order to maintain consistency with the definition of reinvested earnings in BPM6 (for example, para. 8.15) and earlier in this document (para. 26.50), the 4 <sup>th</sup> sentence should be changed to read “Reinvested earnings are defined as the direct investor’s share of <b>retained earnings or net</b> saving of the enterprise...”
26.84	I believe the reference to “table 2,1” should be “ <b>table 26.3</b> ” (which, however, refers to “debits” rather than “liabilities”).

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

### E. Special international accounts considerations (paragraphs 26.85-26.94)

General comment	Click here and start typing.
26.85	Sentence in parentheses should read "...reserve assets have no counterpart liability, the constituent instruments can be allocated..."
26.94	To be consistent with BPM6 (para. 3.108), the 7 <sup>th</sup> sentence (which begins with "Such") should read "... <b>and</b> /or when the authorities actively intervene in the market to affect the parallel rate."

\* 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. Is the consistency between BPM6 and the SNA sufficiently emphasised?
2. Is the description of the functional classification in BPM6 useful and clear to non balance of payments specialists?
3. Are tables 26.1 and 26.2 helpful?

*Specific comments:*

Specific comments	The tables are helpful. However, the headers are inconsistently formatted. (Probably all should be centered.).
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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>