

**Comments on draft SNA chapter:
Chapter 3: Flows, stocks and accounting rules**

**Deadline for comments: 30 September 2007
Send comments to: sna@un.org**

Your name:	Jiri PELEJ
Your country/organization:	Czech Statistical Office
Contact (e.g. email address):	jiri.pelej@czso.cz
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This three-part template allows you to record your comments on draft chapter 3 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.

Especially when providing comments in Part III of the template, you are encouraged to focus on the new passages of the draft text. To facilitate this process, a file comparing the existing text and the draft text is available on the website under the following link:
<http://unstats.un.org/unsd/sna1993/projectmanagement/drafts/Chapter3dv2cdv0.pdf>

Save this template and send it as an attachment to the following e-mail address:
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:

Click here and start typing.

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 3, you may wish to devote particular attention to the passages listed below. For ease of reference, we have identified the relevant paragraphs.

For each passage, a Word table is provided for you to use in making your comments. There is a row for general comments at the top of the table. Thereafter please use a separate row for each paragraph on which you wish to make detailed comments.

Definition of an asset

Questions about the adequacy of the *1993 SNA* definition of an economic asset led to the issue being among the forty-four considered during the Update. An AEG meeting concluded that the 1993 definition did not adequately cover risk, demonstrable value and constructive obligations.

1. Section B, about stocks, opens with a new and fuller definition of an asset than appeared in the *1993 SNA*. Paragraphs 3.18 – 3.28 describe the concepts of benefits and of legal and economic ownership, and then paragraphs 3.29 - 3.30 present the new definition. Are these paragraphs clear?

General comment	These paragraphs are clear.
3.18	Click here and start typing.
*	Click here and start typing.

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

Accounting rules: additions from *BPM6*

Section E presents the accounting rules of the System. Text from the draft *BPM6* has been added to the text from the *1993 SNA* in several places. These additions help implement the agreement to align the two manuals where appropriate. Of several additions (see file comparing the 1993 text with the present draft, where they are apparent), two in particular may be of interest.

2. Paragraphs 3.106 – 3.111 discuss quadruple entry accounting. Are these paragraphs clear and appropriate to the SNA?

General comment	Click here and start typing.
3.106	Click here and start typing.
3.109	Some instruction how discrepancies in horizontal double-entry book-keeping according to data sources should be solved in compiling national accounts would be useful. How should be treated discrepancies in BoP in national accounts?

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

3. Paragraphs 3.113 – 3.128 are about valuation of transactions. In particular, paragraphs 3.113-3.114 explain how “market prices” should be interpreted. Are the paragraphs clear and appropriate for the SNA?

General comment	Click here and start typing.
3.113	Click here and start typing.
3.120	It is not clear for us what concessional interest is.

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

Discounted present value of expected future returns

Section E.2 discusses valuation, beginning with the relatively straight-forward cases when actual exchange values represent market prices and then moving to the more difficult cases, including those where market-price equivalents must be used.

4. Paragraph 3.126 notes, as did the *1993 SNA*, that when none of several methods to represent market-price equivalents can be applied, flows and stocks can be recorded at the discounted present value of expected future returns. Does the description of this method strike an appropriate tone given the greater use and acceptance of this method since the *1993 SNA*?

General comment	Click here and start typing.
3.126	Should also flows (not only stocks) be recorded at the discounted present value of expected future returns? Are future returns to be calculated under assumption of increasing prices, i.e. including effects of holding gains?

Part III. Other specific comments

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

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 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>