

**Comments on draft SNA chapter:
Chapter 4: Institutional units and sectors**

**Deadline for comments: 1 September 2007
Send comments to: sna@un.org**

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Submission date:	August 29, 2007

This three-part template allows you to record your comments on draft chapter 4 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/Chapter4dv2cdv0.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:

We have gone through this chapter. Overall we believe that issues given by this Chapter is clear and detail. However, we also still give some suggestions to improve and enhance the SNA draft on paragraph 4.10, 4.11, 4.12, 4.111, (SNA 4.72 until 4.76), 4.81, 4.89 and 4.92.
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Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 4, you may wish to devote particular attention to the passage listed below. For ease of reference, we have identified the relevant paragraphs. Please use the space provided to the right of the paragraph number to make your comment.

1. Section A, paragraphs 4.10 – 4.12:

The definition of ‘residence’ was slightly changed in the 1993 SNA Rev.1 by introducing ‘predominant’ before “economic interest.” Because residence is principally a BOP term, the text in paragraphs 4.10 – 4.12 has been taken from *BPM* 6. Do you consider the definition appropriately described? Is it clear to a national accountant?

4.10	At figure 4.1, could include the three basic economic activities of the respective institutions e.g. household which, involves at production is also known as unincorporated enterprise. Three basic economics are for public non-financial corporations, national private non-financial corporations and foreign controlled non-financial corporations.
4.11	This part needs further clarification, on the need to choose between alternative aspects on the economic interest.
4.12	We found it is clearer explanation compared previous version of SNA1993.
4.111	This paragraph should add “period”. Government units are unique kinds of legal entities established by political processes that have legislative, judicial or executive authority over other institutional units within a given area and period .

2. Section A, paragraph 4.20:

A decision tree allocating units to institutional sectors and sub-sectors has been added as figure 4.1. It is first referred to in paragraph 4.21 to the 1993 SNA Rev.1. Do you think it is useful?

4.21	Yes.
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3. Section B, paragraphs 4.52 – 4.54:

The expression ‘ancillary corporation’ in the 1993 SNA did not fit neatly with the discussion on ancillary activities discussed in draft chapter 5 of the 1993 SNA Rev.1. Therefore the term ‘artificial subsidiary’ has been introduced. Do you agree with this new terminology?

4.52	No comment
4.53	No comment
4.54	No comment

4. Section B, paragraphs 4.64 – 4.72 and section C, paragraphs 4.82 – 4.83
 Material from draft chapter 21 (public sector) of the 1993 SNA Rev.1 on control of corporations and of NPIs by government has been brought together. Do you consider this useful?

	SNA 93 4.72 until 4.76; These paragraphs should be maintained in this new Revision so that there is detailed elaboration on Public non-financial corporation, foreign control non-financial corporation and national private non-financial corporation.
4.81	NPIs that are controlled by government should be started in the paragraph that it is part of the government sector.

5. Section D, paragraphs 4.89 – 4.90:
 NPIs are distinguished as a sub-sector of the non-financial corporate sector in the 1993 SNA Rev. 1. Other units in the sector have been labeled ‘For Profit Institutions’ (FPIs). Do you agree with the new terminology introduced in paragraph 4.89? Do you agree with the full sub-sectoring introduced in paragraph 4.90 and shown in table 4.1?

4.89	Non-financial corporation sector has been classified to NPIs & FPIs. We would like to clarify on the necessity to have these two criteria especially the FPIs.
4.92	Further specify elaboration is needed to on other financial corporations, we would like to know what are the components that refers to “Other Financial Corporation” (Is it as stated in ISIC Rev.4?)

6. Section E, paragraph 4.94:
 The new sub-sectoring of the financial corporations sector, including again by NPIs and FPIs, has been introduced in paragraph 4.94. Do you agree with the new classification?

4.94	Yes, and give more elaboration of FPIs.
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7. Section F, paragraphs 4.118 – 4.119:
 Do you consider the clarification of the role of social security funds in paragraphs 4.118 – 4.119 consistent with the GFSM? Paragraphs 4.118-4.119 set out the role of social security funds while trying to stay in line with text in the *GFSM* and draft chapter 21 of the 1993 SNA, Rev. 1. Is the text appropriate and clear?

4.118	Click here and start typing.
4.119	Click here and start typing.

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>