



OESTERREICHISCHE NATIONALBANK  
EUROSYSTEM

# Sub-sectoring of the financial corporations – Discussant's intervention.

UN Meeting of the Group of Experts on National Accounts  
Eleventh Session, May 2012 - Geneva

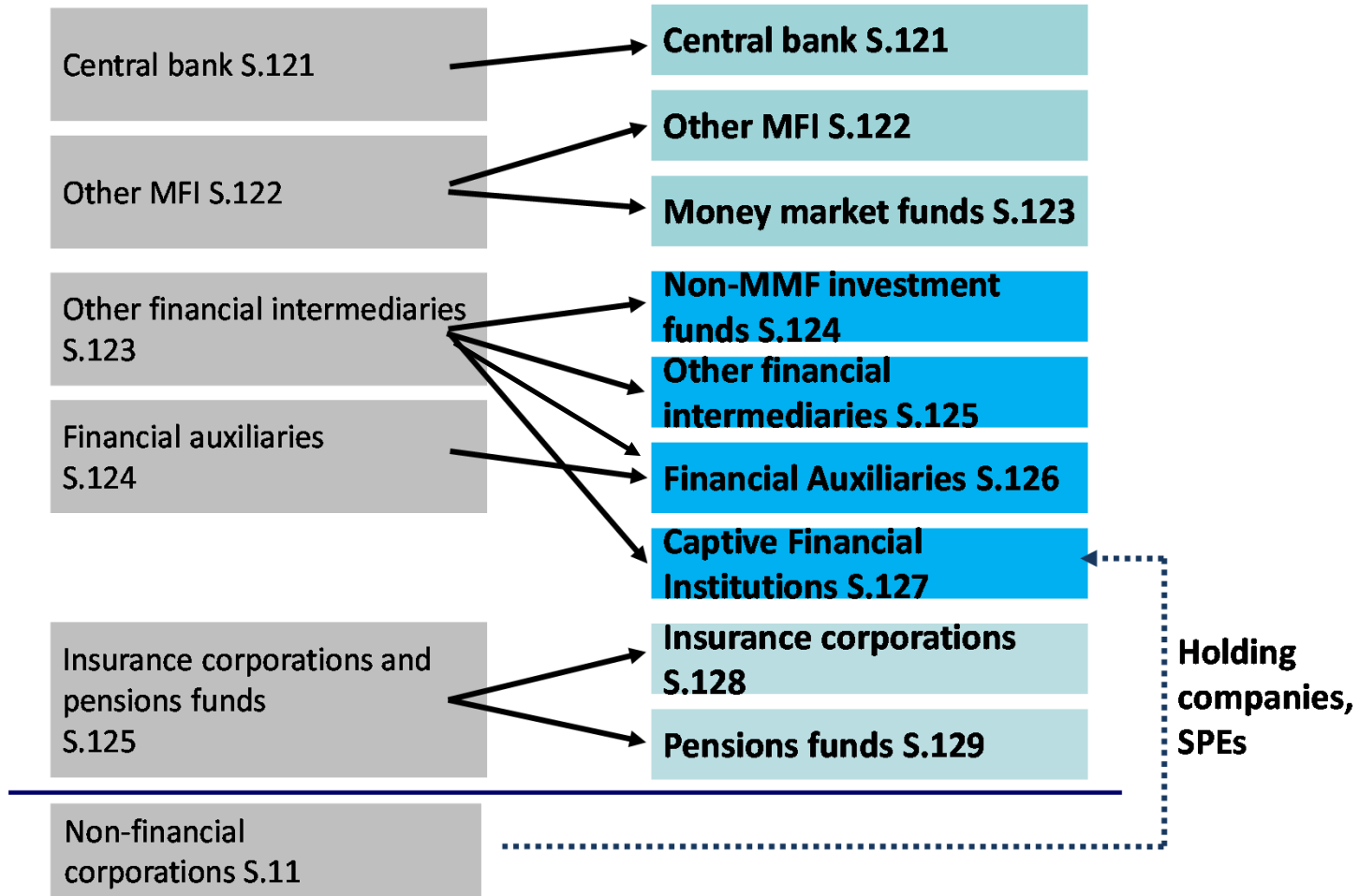
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The views are those of the author and do not necessarily represent the position of the  
Oesterreichische Nationalbank.

## Some (additional) remarks on ...

- **Major changes due to SNA 2008 / ESA 2010**
- **Different views on challenges implementing SNA 2008 / ESA 2010**
- **Way forward**

# Major changes of the sector delineation

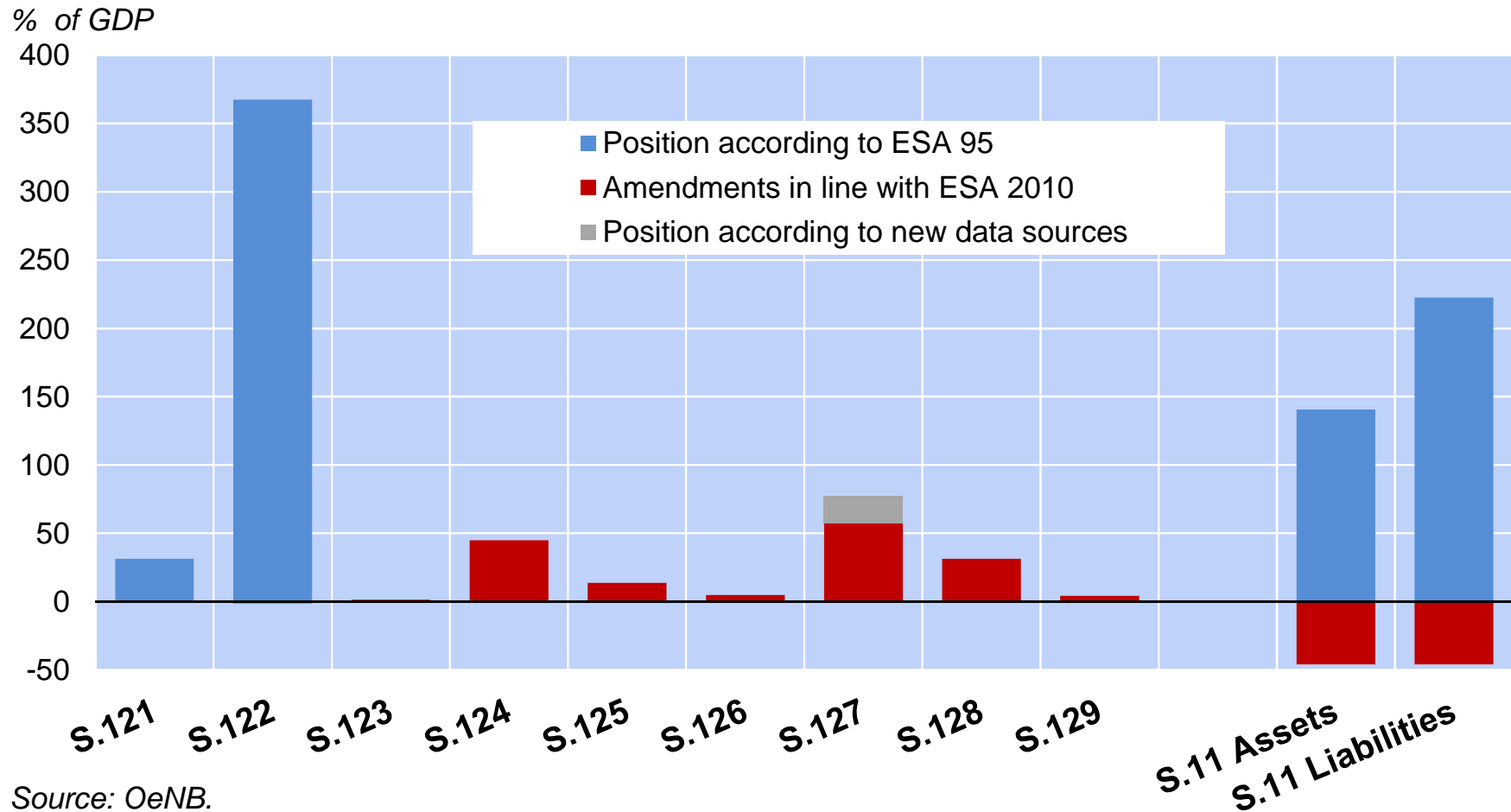


## ... and as a consequence:

- The financial sector according to SNA 2008 / ESA 2010 covers a wider range of “financial intermediation” – and even beyond
- Consequently, the analysis of the “whole financial sector” will become more difficult, sub-sector analysis seems to be more important (e.g. Italy’s presentation on ICPF)
- According to a recent OECD questionnaire on the implementation of SNA 2008 / ESA 2010:
  - EU countries expect major changes on financial positions (mainly due to the reclassification of holdings and partly SPEs)
  - while mainly NON-EU countries do not expect major changes e.g. Australia disagrees with the reclassification e.g. US does not have many holdings in the NFC sector

# Results due to the new sector delineation

## Financial position of the financial sector and NFC - comparing ESA 1995 and ESA 2010



## Different views on ...

- The European oriented framework:
  - expressed by ECB, Hungary, and The Netherlands
- The views of players outside Europe:
  - expressed by Canada

## The Canadian view:

- Type of activity view, based on “national analytical use”
- The “entity concept” is based on domestically consolidated enterprise (group), broken down by type of activity  
 ⇔ on the contrary  
 the SNA/ESA concept, which tends to go more in the direction of the legal entity concept
- This might lead - consequently – to different views e.g. on the treatment of resident SPEs and holding companies (both not explicitly mentioned in the CSNA sub-sector breakdown)
- Public-controlled enterprises are shown on the first level of the CSNA sub-sector breakdown

## The European view:

- ESA oriented, because there is an EU-regulation; therefore there is less “freedom” of the implementation
- ECB seeks for a clearer picture on entities with the sectors S.125 to S.127 (except financial vehicle corporations – FVCs) which are not fully covered in ECB statistics”
- Hungary and The Netherlands can be seen as typical “representatives” for the most “tricky” but “very important” entities FVC, holdings, other SPEs and head-offices raising the questions (including offering national solutions) like:
  - are holdings part of SPEs (unclear definition of SPEs)
  - is the criterion “holding of equity of a group of subsidiaries” important for the classification as a holding company
  - are SPEs always related with non-residents
  - which criterion can be used for the delineation between holdings and head-offices and their split into S.11 and S.126



## ... which leads to important steps for the way forward:

Although cooperation between NSI and NCB have started in several countries (like HU, NL, AT) to identify most relevant entities in the sub-sectors S.125 to S.127 using both key indicators and soft information, the action plan should include:

1. On an international level:
  - timely cooperation between international organisations (IOs) for the creation of widely harmonized practical terms (definition of parameters, interpretations, ...) including more possibilities for training and interactions offered by IOs
2. On a national level:
  - i) a case by case study on (at least) important entities taking into account the guidance by IOs and ii) the development of of detailed information for statistical reporters



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**Thank you for your attention 😊**

A low-angle, dark photograph of the ornate facade of the Oesterreichische Nationalbank building. The image shows classical architectural details like columns and a relief sculpture. A sign on the building reads 'OESTERREICHISCHE NATIONALBANK'.

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