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Update of the System of National Accounts 2008 and Balance of Payments Manual 6th Edition**An assessment of the System of National Accounts Research
Agenda****Prepared by the Project Team for the Update of the System of National
Accounts 2008***Summary*

The recent changes in the global and national economies and policies have highlighted the need for a review of System of National Accounts (SNA) to determine its relevance in current conditions. To address this need, a comprehensive research agenda was established through widespread consultation and involvement of both compilers and users of the SNA. A series of Guidance Notes was developed for the SNA research agenda items. These Guidance Notes will form the basis for updating the 2008 SNA.

This note includes an assessment of the agreed SNA Research Agenda and the progressed achieved in resolving the research issues to be included in the Updated 2008 SNA. It also provides a list of issues that will remain on the long-term research agenda, including proposals for the way forward.

I. Introduction

1. To advance the Research Agenda of the 2008 System of National Accounts (2008 SNA), in May 2018, an Inter-Secretariat Working Group on National Accounts (ISWGNA) Task Force was established to formulate a way to resolve issues related to globalization, digitalization, and well-being and sustainability, as well as to identify additional research issues outside these three areas in the context of updating SNA.
2. The Task Force reviewed items on the Research Agenda related to issues under discussion in the Advisory Expert Group (AEG) on National Accounts, the list of issues presented in annex IV to the 2008 SNA, and the Research Agendas related to balance of payments statistics, government finance statistics, environmental-economic accounting, and trade and business statistics. Based on feedback received from the Task Force and the AEG, a consolidated list of SNA research issues was established and grouped according to the following categories: globalization, digitalization, and well-being and sustainability; cross-cutting issues; compilation issues; and the long-term SNA Research Agenda. The long-term SNA research agenda (comprising issues not currently under discussion) was organized in the same categories as in annex IV to the 2008 SNA.
3. At its 13th meeting (Washington D.C, 1 – 3 October 2019), the AEG discussed the consolidated Research Agenda for the update of the 2008 SNA, and concluded the following:
 - Welcomed the consolidated Research Agenda that provides a description of the issues broken down into priority areas, namely globalization; digitalization; wellbeing and sustainability; cross cutting issues; implementation issues; and issues on the long-term SNA Research Agenda.
 - Recognized the need to build momentum for progress on the work and to establish a work programme with clear objectives and a concomitant time plan for key milestones.
 - Agreed to finalize the consolidated Research Agenda, and to establish a set of criteria for inclusion of possible additional items, in close collaboration with the ISWGNA and the three subgroups of the Task Force on the SNA Research Agenda.
 - Stressed the importance of meeting user demands and having a coherent message on resolving the research issues, for which coordination between the three subgroups of the Task Force on the SNA Research Agenda is important.
 - Noted the need for conceptually correct solutions, taking into consideration feasibility and practical implementation.
 - Requested the ISWGNA to establish a plan for finalizing the Research Agenda issues which is necessary for the development of a concrete time schedule to address these issues, and to determine the type of update required for the SNA.
4. The Research Agenda was subsequently put forward to the United Nations Statistical Commission (UNSC), at its 51st session on 3 – 6 March 2020; see Annex II of the 2020 UNSC background paper to the ISWGNA report, under the following [link](#), starting at page 31.
5. This notes on “An assessment of the SNA Research Agenda” presents an assessment of the progress with resolving issues on the agreed Research Agenda, including proposals for the way forward. To address these issues a series of Guidance Notes have been developed. This assessment serves as an element for monitoring the progress with the update of the 2008 SNA and also as an input into arriving at a better appreciation of the potential impact on the editing process of the 2025 SNA. The issues listed below follow the order of the agreed Research Agenda.
6. A related issue is the need to start developing a list of issues that are to be included in the post-2025 SNA Research Agenda, to be included in an Annex of the 2025 SNA. However, the development of such a list goes beyond the scope of this assessment exercise. Such a post-2025 SNA Research Agenda can be further elaborated in due course, subject to AEG approval. However, here it is already proposed that, once the post-2025 SNA Research Agenda has been agreed, the research issues are prioritised, and task teams are established to draft guidance notes on the issue for endorsement by the AEG (and relevant communities for macroeconomic

statistics). These guidance notes would then feed into a future update of the SNA, or – if considered desirable feasible – included in partial updates in between more structural and comprehensive updates. More generally, in this way, guidance notes are accumulated between update processes rather than drafting them all in a one or two year period. In order to help with the prioritization process, each of the items on the research agenda could be classified in some way, such as relevance, conceptual change, accounting change, identified user needs, etc.

7. This note is organized as follows. First, in Section 2, the issues considered to be a priority, are assessed. This is followed, in Section 3, by an assessment of the long-term SNA research issues.

II. Issues considered to be a priority

A. Globalization

1. Typology of global production arrangements (issue 1)

8. This issue is covered in Guidance Note C.4 on “Merchanting and factory-less producers; clarifying negative exports in merchanting; merchanting of services” (combined with Guidance Note G.6). In addition, the UNECE Guide on Measuring Global Production provides additional guidance.

2. Factory-less goods producers and recording of their transactions (issue 2)

9. This issue is covered in Guidance Note C.4 on “Merchanting and factory-less producers; clarifying negative exports in merchanting; merchanting of services” (combined with Guidance Note G.6). In addition, the UNECE Guide on Measuring Global Production provides additional guidance.

3. Merchanting (issue 3)

10. This issue is covered in Guidance Note C.4 on “Merchanting and factory-less producers; clarifying negative exports in merchanting; Merchanting of services” (combined with Guidance Note G.6). In addition, the UNECE Guide on Measuring Global Production provides additional guidance.

4. Special Purpose Entities and identifying economic presence and residency (issue 4)

11. This issue is covered in Guidance Note G.4 on “Treatment of special purpose entities and residency”.

5. Economic ownership of Intellectual Property Products (IPPs) (issue 5)

12. This issue is covered in Guidance Note G.5 on “Economic ownership of intellectual property products: recording of intra MNE transactions”. In addition, the UNECE Guide on Measuring Global Production provides additional guidance.

6. CIF/FOB recording of imports and exports (issue 6)

13. This issue is covered in Guidance Note G.1 on “Valuation of imports and exports”.

7. Price and volume measurement related to globalization (issue 7)

14. This research issue has not been addressed directly in any of the Guidance Notes. Although the 2008 SNA generally only provides a conceptual description on price and volume measurement, it does offer high-level recommendations in some areas. At first glance, the list of categories included in the description of this research issue looks slightly too detailed to be specifically included in the SNA. It may be useful, however, to provide broad conceptual guidance in the updated SNA. This would require some work to get across the specific topics and make sensible high-level recommendations. The editorial team, together with a small number of experts in the field, could possibly drive this, drawing on relevant expertise.

(i) Action point 1 (issue 7)

15. Provide broad conceptual guidance on price and volume measurement in chapter 18 of the 2025 SNA

16. To be implemented by: Editorial team, in cooperation with a small number of experts.

17. Priority level: 2

18. The obvious place to provide more detailed guidance would be the Producer Price Index Manual (PPIM) 2004 and the Export and Import Price Index Manual (2009). The national accounts community could consider proposing an update of these manuals, not only to include new guidance on price and volume measurement related to globalization, but also to include new guidance on digitalization-related products (issue 16). In addition, the proposed compilers hub could also be used to make available any work on progressing this issue over the next few years. Countries and experts could be encouraged to contribute as they are able to.

19. All in all, when it comes to the update of the 2008 SNA, it is proposed not to treat this issue with a high priority.

8. New data sources needed to measure global production (issue 8)

20. This issue is considered to be less relevant from a conceptual point of view, although various aspects related to this issue have been addressed in Guidance Note G.7 on “Global value chains and trade in value-added”. Relevant compilation guidance may be (further) developed in the context of the UNECE Guide on Measuring Global Production and other work related to the measurement of global value chains and trade in value added.

9. Nationality concept / Extension of Intellectual Property Products (IIP) on a nationality basis (issue 9)

21. This research issue, originally labelled B.1, has been dropped from the list of Guidance Notes by the Balance of Payments Task Team. However, the issue has been mentioned, albeit very succinctly, in Guidance Note G.4. From an SNA-perspective, it may be less relevant, although it would be good to add some text on the nationality concept in the chapter on globalization and possibly also in the chapter on financial corporations, based on Bank for International Settlements work in this area.

(i) Action point 2 (issue 9)

22. Add text on nationality concept in chapters 23, 29 and/or 37 of the 2025 SNA

23. To be implemented by: Editorial team

24. Priority level: 2

10. New methods to measure global production (issue 10)

25. This issue is considered to be less relevant from a conceptual point of view. Relevant compilation guidance may be (further) developed in the context of the UNECE Guide on Measuring Global Production and other work related to the measurement of global value chains and trade in value added.

11. Analysing global value chains and trade in value added amplifies the need of high-quality statistics on global production in national and international accounts statistics (issue 11)

26. This issue is considered to be less relevant from a conceptual point of view, although various aspects related to this issue have been addressed in Guidance Note G.7 on “Global value chains and trade in value-added”. Relevant compilation guidance may be (further) developed in the context of the UNECE Guide on Measuring Global Production and other work related to the measurement of global value chains and trade in value added. Furthermore, although it is not a research issue, the importance of further progress in the area of data sharing in resolving issues related to globalization should be acknowledged here.

B. Digitalization

1. Satellite framework for the digital economy (issue 12)

27. This issue is covered in Guidance Note DZ.5 on “Digital Supply and Use Tables”.

2. Delineation of dual use consumer durables and fixed assets (issue 13)

28. This issue is currently not covered by any of the Guidance Notes, as it is probably more a matter of implementing the required distinction between consumer durables and fixed assets than a conceptual issue. However, in view of the digitalization of the economy, the issue has gained importance. Some general guidance for the partitioning of the relevant assets, e.g. on the basis of time used, could be provided.

(i) Action point 3 (issue 13)

29. Include text on partitioning of assets in chapters 14, 16 and/or 32 of the 2025 SNA

30. To be implemented by: Editorial team

31. Priority: 2

3. Free digital products and services (issue 14)

32. This issue is covered in Guidance Notes DZ.3 on “Treatment of “free” digital products in the “core” national accounts” and DZ.4 on “Recording and valuing “free” products in an SNA satellite account”.

4. The role of data and the SNA asset boundary (issue 15)

33. This issue is covered in Guidance Note DZ.6 on “Recording of data in the national accounts”. Issues related to the accounting for rent still need to be resolved; see issue 31.

5. Price and volume measures related to digital products (issue 16)

34. This issue is covered in Guidance Note DZ.1 on “Price and volume measurement of goods and services affected by digitalization”. In addition, one may want to consider an update of the various manuals on prices, in particular the Producer Price Index Manual (PPIM) 2004, the Export and Import Price Index Manual (2009) and the Consumer Price Index Manual (CPIM); see also issue 7. In respect of the latter manual, it should be noted that this manual has been updated quite recently, in 2020. Here, one may consider, if relevant, an addendum on new developments in the measurement of digital products.

6. Crypto-assets (issue 17)

35. This issue is covered in Guidance Note F.18 on “Treatment of crypto assets in macroeconomic statistics” (combined with DZ.6). It should be noted, however, that the recording of crypto-assets without a corresponding liability designed to act as a general medium of exchange (CAWLM) and those designed as a medium of exchange within a platform only (CAWLP) still need to be resolved.

(i) Action point 4 (issue 17)

36. Provide guidance on the recording of crypto-assets without a corresponding liability designed to act as a medium of exchange

37. To be implemented by: Financial Issues Task Team

38. Priority: 1

C. Well-being and sustainability

1. The broader framework for wellbeing and sustainability (issue 18)

39. This issue is covered in Guidance Note WS.1 on “Enhancing and broadening the SNA framework”.

2. Distribution of household income, consumption, saving and wealth (issue 19)

40. This issue is covered in Guidance Note WS.2 on “Distributions of household income, consumption saving and wealth”.

3. Education and human capital, labour and productivity (issue 20)

41. This issue is covered in Guidance Note WS.4 on “Labour, education and human capital”. In addition, the UNECE Guide on Measuring Human Capital and UNECE Satellite Account for Education and Training; Compilation Guide provide additional guidance.

4. Health and social conditions (issue 21)

42. This issue is covered in Guidance Note WS.5 on “Health and social conditions”.

5. Unpaid household activities (issue 22)

43. This issue is covered in Guidance Note WS.3 on “Unpaid household service work”.

6. Valuation and delineation of natural resources (issue 23)

44. This issue is covered in Guidance Note WS.10 on “Valuation methods”.

7. Accounting for depletion (issue 24)

45. This issue is covered in Guidance Notes WS.6 on “Economic ownership and depletion of natural resources” and WS.8 on “Accounting for biological resources”.

8. Losses (issue 25)

46. This research issue, originally labelled WS.13, has been dropped from the list of Guidance Notes by the Well-being and Sustainability Team. From an SNA perspective, it is considered to be low priority, because it first and foremost relates to physical measures, and has hardly any impact on the accounting in monetary terms. It is proposed to drop this issue altogether from the SNA Research Agenda, unless particular examples come to light that are considered relevant from an SNA perspective.

9. Accounting for ecosystems (issue 26)

47. From an SNA perspective, this issue is especially relevant when it comes to valuation issues. These valuation issues will be covered in Guidance Note UA.1 on “Valuation principles and methodologies”. In addition, there are some links with the accounting for biological resources; see Guidance Note WS.8.

D. Other issues considered as a priority**1. Relationship between the SNA and IASB (issue 27)**

48. Currently, some specific topics on the relationship between the system of national accounts and business accounting standards are being addressed in Guidance Notes, such as C.5.1 on “Statistical impact of the change in treatment of operating leases in business accounting” and C.5.2 on “Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts”.

49. For the purpose of updating the 2008 SNA, it was agreed to put more attention to the relationship between national accounts and business accounting standards. It is therefore considered important to have a good assessment of the main divergences between the SNA on the one hand, and International Accounting Standards (IAS) and International Public Sector Accounting Standards (IPSAS) on the other hand. Such a comparison is available for IPSAS, and it has already been agreed with the IPSAS community to update this assessment. In addition, one would like to include a similar assessment for IAS, although it may be less straightforward, given the more pronounced differences of business accounting standards across countries. Having said that, it should be possible to aim for at least a general discussion of the differences, with specific discussion of those areas where there are likely to be divergences that are potentially significant (e.g., the treatment of holding gains in income). Chapter 21 of the European System of Accounts (ESA) 2010, and the list of differences between IPSAS and IAS could be used as starting points for the latter analysis. Moreover, one could also consider an update of the UN Handbook on Links between Business Accounting and National Accounts, which was endorsed in 2000.

(i) Action point 5 (issue 27)

50. Include text on significant differences between on the one hand the SNA, and on the other hand IPSAS and IAS, to be included in chapters 1, 28, 29 and 30 of the 2025 SNA.

51. To be implemented by: Editorial team, in cooperation with the IPSAS community

52. Priority level: 1

2. Statistical units (issue 28)

53. Quite some work has been done in the area of statistical units, among which a survey on country practices. The issue has also been discussed at the 10th, 11th and 12th meeting of the AEG. At the 12th meeting, the AEG concluded that additional work is needed, among which a consultation on (i) the type of information used to make adjustments to the targeted unit, whether this is based on a full set of information or on some indicator(s), either or not directly collected from survey respondents; and (ii) the advantages and disadvantages of an integrated analysis of production, income and finance. However, further progress has not been made up to now.

54. The question is how to proceed? One could consider the following two options:

55. Conduct a global consultation, based on the latest available documentation, which would need to be updated and completed. The main question would relate to whether or not there is appetite for moving to enterprises as the main statistical unit for both supply and use tables and institutional sector accounts.

56. Leave the conceptual guidance in the SNA on establishments and institutional units as is but provide more information on the practicalities of compiling data for these units.

57. Unless there is strong push to make a change, which does not seem apparent, it is proposed here to go for the second option, while keeping the issue on the post-2025 SNA Research Agenda. Keeping it on the agenda is considered important because of the implications for compiling national accounts in a world of a continuously changing landscape for collecting source data.

3. Trusts (issue 29)

58. Although trusts have been touched upon in Guidance Notes F.1 and F.6, the issue of when, and when not, to treat trusts as separate institutional units, is currently not covered in any of the Guidance Notes. The issue of whether or not an entity should be considered as a separate institutional unit has also popped in the discussion on investment funds (see Guidance Note D.16 on “Treatment of retained earnings”), and pension funds. Having more specific guidance on the treatment of such funds is considered very useful. To move forward, it is proposed that the editorial team collects available guidance, and drafts a short issues note with some more concrete guiding principles for determining when trusts and other types of funds should (not) be consolidated with their owners.

(i) Action point 6 (issue 29)

59. Draft an issues note on when, and when not, to consider trusts and other types of funds as separate institutional units.

60. To be implemented by: Editorial team

61. Priority level: 1

4. Broadening the fixed asset boundary to include other intellectual property assets (issue 30)

62. This issue is partially covered in Guidance Note G.9 on “Payments for knowledge-based capital”. Other possible extensions, for example relating to architectural and engineering designs, organisational capital, and financial product innovation, are not (yet) addressed. It is proposed to keep this issue on the post-2025 SNA Research Agenda, mainly because of the continued emphasis on an appropriate accounting for intangible assets, first and foremost, but not only, in the academic research community.

5. Leases to use or exploit natural resources (issue 31)

63. Leasing of natural resources is being discussed, although often quite implicitly, in the following Guidance Notes:

- WS.6 on “Economic ownership and depletion of natural resources”;
- WS.7 on “Emissions permits: the atmosphere as an asset”;
- WS.8 on “Accounting for biological resources”; and

- DZ.6 on “Recording of data in the national accounts”.

64. It is questionable whether these Guidance Notes will result in a consistent and conceptually based distinction of transactions which are to be recorded as rent, as each of the Guidance Notes look at the issue in relative isolation. However, it has been agreed to prepare a new Guidance Note UA.2 on the “Treatment of rent for the recording of data, marketing assets and biological resources”, which will take a more holistic look at the treatment of rent. In addition, this Guidance Note will address some other ramifications regarding the accounting for rent.

6. Treatment of Private-Public Partnerships (issue 32)

65. The recording of public-private partnerships is being discussed in Guidance Note D.8 on “Public-private partnerships”. However, the Guidance Note is primarily focusing on the treatment of these units in the context of Foreign Direct Investment. It is proposed here to ask the Government Finance Statistics (GFS) community whether the current guidance in chapter 22 of the 2008 SNA needs to be updated in view of further clarifications and elaborations provided in the Eurostat Manual on Government Deficit and Debt, and the Guide to the Statistical Treatment of PPPs. As public-private partnerships can take many (evolving) forms, and the correct conceptual treatment is dependent on the form, it is important though that the guidance in the SNA remains fairly general, and not too definitive.

(i) Action point 7 (issue 32):

66. Liaise with GFS community to update, if needed, the guidance on the treatment of public-private partnerships in chapter 30 of the 2025 SNA.

67. To be implemented by: GFS community

68. Priority level: 2

7. Harmonization of SNA and Balance of Payments (BOP) (issue 33)

69. One of the main priorities for the update of the 2008 SNA, and also of the Balance of Payments Manual (BPM6), is to arrive at guidance which is aligned to the extent possible, also when it comes to the concrete editing of the text of both standards. For this purpose, detailed working arrangements have been established between the editorial team of the SNA-update and the one responsible for the BPM-update.

8. Islamic finance (issue 34)

70. This issue is covered in Guidance Note IF.1 on “Islamic finance in the System of National Accounts and External Sector Statistics”.

9. Informal economy (issue 35)

71. This issue is covered in Guidance Note IE.1 on “Statistical framework and classification of informal economy”.

III. Long-term SNA research issues

1. Final consumption of corporations (issue 36)

72. It is proposed to not consider this issue for inclusion in the update of the 2008 SNA, but to keep it on the post-2025 SNA Research Agenda, not only because the issue of recording sponsorships of cultural and sporting events continue to be relevant and actually become more and more important, but also because the issue may become relevant when it comes to the recording of “free” products.

2. Measuring the output of government services (issue 37)

73. It is proposed to not consider the issue as such for inclusion in the update of the 2008 SNA. However, it is proposed to draft an issues note, which looks into the possibility of arriving at a more consistent application of the sum-of-costs approach, by always including a return to capital as one of the cost elements, also in the case of non-market output. Another issue regarding the application of the sum-of-costs approach concerns the inclusion of rent, which is

being discussed in the context of the new Guidance Note UA.2 on “Treatment of rent for the recording of data, marketing assets and biological resources”; see issue 31.

(i) Action point 8 (issue 37)

74. Draft an issues note on (the consistency in) the application of sum-of-costs approach.

75. To be implemented by: Editorial team

76. Priority level: 1

3. The treatment of social transfers in kind to the rest of the world (issue 38)

77. Social transfers in kind from/to the rest of the world are very small for most countries. However, in some smaller countries, they can be significant. However, the current guidance, as provided in paragraph 8.145 of the 2008 SNA, provides sufficient room for including social transfers to non-residents, if considered relevant. Therefore, up to this point in time, re-opening this issue is not considered for inclusion in the update of the 2008 SNA, although one should note that some discussions are taking place with the BPM community. Furthermore, it is proposed to keep it on the long-term post-2025 SNA Research Agenda, because future developments may show that the assumption of these transfers not being significant cannot be maintained.

4. Output of central banks: taxes and subsidies on interest rates applied by central banks (issue 39)

78. The treatment of taxes and subsidies applied by central banks is not a priority issue for the update of the 2008 SNA, nor for inclusion in the post-2025 SNA Research Agenda. However, the issue of taxes and subsidies will be touched upon in the forthcoming issues note on concessional lending, which has been agreed as part of the resolution mechanism between the SNA and the BPM in relation to the recommendations in Guidance Note F.15 on “Debt concessionality” (see also issue 55 below). In addition, further guidance on the measurement of output of central banks, as included in the [SNA News and Notes No. 36](#), would need to be included in the 2025 SNA. In respect of the latter, one may also want to see whether it is possible to address the current inconsistency in the treatment of central bank output between the 2008 SNA and ESA 2010.

(i) Action point 9 (issue 39)

79. Include further guidance on the measurement of output of central banks in chapter 7 of the 2025 SNA, and draft an issues note on the possibility to address the current inconsistencies between the SNA and the ESA.

80. To be implemented by: Editorial team.

81. Priority level: 2

5. The inclusion of international organizations in the SNA (issue 40).

82. It would be good to provide additional guidance on the treatment of international organizations more generally. However, as it does not have a significant impact on national statistics, it is proposed, at least for the time being, to not consider this issue for inclusion in the update of the 2008 SNA. One could consider keeping it on the post-2025 SNA Research Agenda, although one may need to be more specific about the goals of such an inclusion. For sure, one would prefer to rephrase the research issue, as currently included in paragraph A4.22 of the 2008 SNA, by limiting it to the impact of transactions and positions with international organisations which have an impact on national statistics, thus not focusing on arriving at full sets of accounts for international organisations per se.

6. Clarification of the income concept in the SNA (issue 41)

83. It seems to be too late to try to arrive at a completely different accounting of holding gains and losses. However, one may want to consider adding clarifications to the 2025 SNA on some specific elements, such as the ones mentioned under this issue, i.e. (i) the inclusion of holding gains/losses in the changes in life insurance and annuity technical reserves and the changes in pension entitlements when calculating the implicit service charges for life insurance,

annuities and pension funds; and (ii) the inclusion of capital income derived from the investment of an insurer's own funds in the calculation of the value added of insurance corporations.

84. Apart from the above clarifications, it is proposed to not consider this issue for inclusion in the update of the 2008 SNA. However, although the concept of income will remain a controversial issue, it is proposed to keep it on the post-2025 SNA Research Agenda, because new ways of accounting for income may become feasible in view of the future compilation of supplementary information on reinvested earnings; see also issue 45. Moreover, it is considered important to keep the door open to academic discussions on the concept of income.

(i) Action point 10 (issue 41)

85. Draft an issues note with more detailed guidance on (i) the inclusion of holding gains/losses in the changes in life insurance and annuity technical reserves and the changes in pension entitlements when calculating the implicit service charges for life insurance, annuities and pension funds; and (ii) the inclusion of capital income derived from the investment of an insurer's own funds in the calculation of the value added of insurance corporations.

86. To be implemented by: Editorial team

87. Priority level: 1

7. GDP at basic prices (issue 42)

88. It is proposed to not consider this issue for inclusion in the update of the 2008 SNA. Moreover, it is also proposed to drop it altogether from the long-term SNA Research Agenda, as the usefulness of measuring GDP at basic prices is far from clear, and seems to fly in the face of market prices as underpinning valuation principle of the SNA.

8. The role of taxes in the SNA (issue 43)

89. It is proposed to not consider this issue for inclusion in the update of the 2008 SNA. Given its lack of clarity about the merits of this issue, one may also want to consider dropping it altogether from the long-term SNA Research Agenda. On the other hand, one may consider reviewing the guidance in the 2025 SNA on why taxes are treated as income flows.

9. Life insurance (issue 44)

90. This issue concerns the treatment of holding gains/losses in the calculation of output of life insurance. For a possible follow-up, see issue 41.

10. Reinvested earnings (issue 45)

91. Guidance note F.2 on "Asymmetric treatment of retained earnings between direct and portfolio investment and potential extension to domestic relationships" contains a discussion on the extension of retained earnings to all investments in shares. Inclusion in the central framework of national accounts did not receive much support, so it is recommended to only include such information in supplementary tables. This issue has a direct relationship with the discussion on Guidance Note D.17 on "Identifying super dividends and establishing the borderline between dividends and withdrawal of equity". Currently, an issues note, which also includes options for a partial extension of the recording of reinvested earnings to other majority holdings, is in the process of being drafted, as part of the agreed resolution mechanism between the SNA and the BPM.

11. Accruing interest in the SNA (issue 46)

92. As the opinions on the debtor versus the creditor approach for recording interest does not seem to have shifted dramatically in recent years, starting a discussion now on such a controversial and far-reaching issue looks quite counterproductive, and so it is not considered for inclusion in the update of the 2008 SNA. However, given its importance from a theoretical/conceptual point of view, it is proposed to keep it on the post-2025 SNA Research Agenda.

12. Calculation of Financial Intermediation Services Indirectly Measured (FISIM) (issue 47)

93. The already agreed clarifications on the measurement of FISIM will be reflected in the 2025 SNA; see the minutes of the 8th and 10th meetings of the AEG. The same holds for the recommendations endorsed by the AEG on the measurement of FISIM in periods of negative

interest rates; see the minutes of the 11th meeting of the AEG, and the additional guidance provided in [SNA News and Notes No. 39/40](#).

94. Regarding the possible exclusion of credit default risk from the calculation of FISIM, the Task Force on FISIM concluded the following: *“The Task Force has concluded that there is conceptual merit in excluding credit default risk from FISIM. At present many countries will not be in a position to do this in a way that ensures reasonable comparability across most countries. However, a number of countries have demonstrated that it is feasible, in their cases, to produce meaningful results and these countries have developed plans to estimate FISIM on this basis. The recommendation of the Task Force therefore is that research continues in this area, both within the FISIM Task Force and within national agencies, to develop methods and data that can support estimation in the future. Recognizing that these improvements will take some time to materialize, the Task Force recommends that, in the interim, in the interest of maintaining international comparability, those countries that exclude credit default risk from their FISIM estimates, should also provide supplementary estimates that include credit default risk to international agencies.”*

95. At its 10th Meeting (Paris, 13 – 15 April 2016), the AEG *“agreed that the Task Force on FISIM could revisit the conceptual merits of either excluding or including credit default risk in the calculation of FISIM, and in the case of the exclusion of credit default risk developing practical methods that could support such exclusion”*. This can be interpreted as an inclination towards the exclusion of credit default risk on conceptual grounds, with reservations related to the practical implementation of such an exclusion. Three options for the way forward could be considered:

96. Express the conceptual merits of excluding credit default risk from the calculation of FISIM, with reservations around the practical implementation, in line with the above conclusions of the Task Force.

97. Express the conceptual merits of excluding credit default risk from the calculation of FISIM and look for countries who would be willing to participate in an early implementation exercise.

98. Include a discussion on the treatment of various risk elements in the calculation of FISIM, without expressing any conceptual preference.

99. It is proposed to pursue option 2 and see whether a number of countries are willing to participate in an early implementation exercise. If, due to resource constraints, such an exercise shows not to be feasible, it is proposed to go for the first option, in which case the editorial team could come up with concrete proposals for changing the current guidance in the SNA.

13. High inflation (issue 48)

100. The issue of accounting under conditions of high inflation is highly relevant in a considerable number of countries and goes beyond the treatment of interest to which this research issue mainly refers. Moreover, high inflation has become more relevant in quite a number of other countries as well. Therefore, it would be good to include agreed guidance on the treatment of interest under conditions of high inflation in the 2025 SNA. In addition, it is proposed to include a summary of the main recommendations on how to deal with situations of high inflation, with reference to the guidance in the [Manual on National Accounting under Conditions of High Inflation](#).

(i) Action point 11 (issue 48)

101. Include, in a concise way, already existing guidance on accounting under conditions of high inflation in chapter 20, and possibly other chapters, of the 2025 SNA.

102. To be implemented by: Editorial team

103. Priority level: 2

14. The measurement of neutral and real holding gains and losses (issue 49)

104. It is proposed to not consider this issue for inclusion in the update of the 2008 SNA, but to keep it on the post-2025 SNA Research Agenda, because the relevance of this distinction may increase under conditions of high inflation.

15. Income arising from assets (issue 50)

105. It is proposed to not consider the issue of financial resources contributing to capital services for inclusion in the update of the 2008 SNA, and to also drop it from the long-term SNA Research Agenda. Having said that, one could add some clarifications on the relationship between work-in-progress and non-produced assets on the one hand, and the measurement of capital services on the other hand, in line with past discussions by the AEG. A proposal to this effect could be elaborated by the editorial team.

(i) Action point 12 (issue 50)

106. Add clarifications on the relationship between work-in-progress and non-produced assets on the one hand, and the measurement of capital services on the other hand

107. To be implemented by: Editorial team

108. Priority level: 2

16. Issues arising from a financial crisis (issue 51)

109. SNA News and Notes No. 29 contains a first evaluation of the adequacy of the guidance provided in the 2008 SNA in addressing the main issues arising from the financial crisis. Furthermore, some other issues related to the financial crisis have already been addressed in Guidance Notes F.1 on “More disaggregated definition of the financial sector and financial instruments” (e.g., non-bank financial intermediation) and F.6 “Capturing Non-Bank Financial Intermediation in the System of National Accounts and the External Sector Statistics”. Also, the monitoring of financial risks and vulnerabilities by the use of from-whom-to-whom tables will receive much more attention in chapter 37 of the 2025 SNA. Other issues like the one on including/excluding credit default risk in the calculation of FISIM are covered under issue 47. Therefore, one could conclude that this issue is resolved, or will be covered under issue 47.

17. Recognition of social security entitlements as liabilities (issue 52)

110. Three main issues are at stake here:

111. Whether or not to include, in the 2025 SNA, a supplementary table on household retirement resources, in addition to the table 17.10 on pension liabilities.

112. Adding clarifications on the treatment of the flows between a defined pension benefit fund and its sponsor in the 2025 SNA. This issue has already been resolved, and agreed by the AEG in its 11th meeting; see also the additional guidance provided in SNA News and Notes No. 39/40.

113. The treatment of (unfunded) employment-related pension schemes which are intertwined with social security schemes. This is the most contentious issue, and further discussed below.

114. Concerning the latter issue, the AEG concluded, at its 10th meeting, the following, after discussing the document on the recording of pension entitlements:

115. *Agreed that more practical examples – from a broad range of countries - of completing the supplementary pensions table should be analysed to assess what criteria are being used to differentiate between employer related pension funds and social security schemes.*

116. *Agreed that – based on this practical experience – further guidance should be developed in the short term on the distinction between social security and employment-related schemes to determine which schemes should be recorded in the central framework.*

117. *Recognized that there are valid arguments for using the asset boundary to determine when liabilities should be recognized and recorded in the core accounts and agreed that guidance applying the principles governing the SNA asset boundary should be considered over the longer term.*

118. Unfortunately, since then no substantial progress has been made in this area, which leaves us with the question what to do at this stage. It is considered quite important to arrive at more clarity, as the current SNA guidance is ambiguous in some respects, differs from the guidance provided in other standards for macro-economic statistics, and leads to problems of international comparability. As a minimum, these ambiguities and inconsistencies in the current

guidance should be resolved to the extent possible. However, although one would like to arrive at stricter and clearer guidance, it is not considered feasible to resolve the issue of recognizing, in the central framework, entitlements related to unfunded social security schemes. This latter issue will continue to feature on the post-2025 SNA Research Agenda.

119. It is proposed that the editorial team, together with a limited number of specialists in the field, will draft an issues note on the resolution of the current ambiguities and inconsistencies, in line with past recommendations from the AEG to provide more guidance on the distinction between social security and employment-related schemes. In this respect, it is also proposed to have another look at the current guidance on constructive liabilities in paragraphs 3.34 and 3.40 of the 2008 SNA, which is inconsistent with the non-recognition of entitlements related to unfunded social security schemes.

120. Moreover, an explicit decision is required on the way forward regarding the non-recognition of entitlements related to social security schemes, and pursuing work, or not, on the inclusion of a supplementary table on household retirement resources.

(i) Action point 13 (issue 52)

121. Draft an issues note on the resolution of the current ambiguities and inconsistencies regarding the recording of social security and employment-related schemes, and on the current guidance for constructive liabilities in paragraphs 3.34 and 3.40 of the 2008 SNA.

122. To be implemented by: Editorial team, in cooperation with a small number of specialists

123. Priority level: 1

18. Wider use of fair value for loans (issue 53)

124. This issue is covered in Guidance Note F.9 on “Valuation of loans (fair value)”.

19. Provisions (issue 54)

125. This issue is covered in the Guidance Note WS.9 on “Recording of provisions”.

20. Debt concessionality (issue 55)

126. This issue is partly covered in Guidance Note F.15 on “Debt concessionality”. However, the relevant Guidance Note mainly deals with international loans provided by international organizations and governments. The proposed recommendation to treat the concessional element as a capital transfer at inception generated some discussion, because it would lead to a deviation from the general principle of valuing loans at nominal value, and to an inconsistent treatment of concessional loans more broadly. The issue is now being considered in a broader context, as part of the agreed resolution mechanism between the SNA and the BPM.

21. Equity valuation and its implications (issue 56)

127. This issue is covered in Guidance Note D.2 on “Valuation of unlisted equity in direct investment”.

22. Reverse transactions (issue 57)

128. This issue is covered in Guidance Note F.3 on “Reverse transactions”.

23. Tradable emission permits (issue 58)

129. This issue is covered in Guidance Note WS.7 on “Emissions permits: the atmosphere as an asset”.

24. Costs of ownership transfer of valuables and non-produced assets (issue 59)

130. It is proposed to not consider this issue for inclusion in the update of the 2008 SNA, and to also drop it from the long-term SNA Research Agenda. Instead, it is proposed to add some non-contentious clarifications on the treatment of costs of ownership transfer for different types of assets.

(i) Action point 14 (issue 59)

131. Add clarifications on the treatment of costs of ownership transfer for different types of assets, first and foremost in chapters 11 and 14 of the 2025 SNA.

132. To be implemented by: Editorial team

133. Priority level: 2

25. Distinction between current maintenance and capital repairs (issue 60)

134. It is proposed to not consider this issue for inclusion in the update of the 2008 SNA. It is also proposed to drop this issue from the long-term Research Agenda altogether, as the current distinction seems to make more sense than considering all maintenance costs as adding to gross fixed capital formation. However, as the guidance in the 2008 SNA seems to refer first and foremost to physical assets, it may be useful to add some clarifications in the 2025 SNA, so that it also applies to intellectual property products in the 2025 SNA. The editorial team could look into possible clarifications.

26. Action point 15 (issue 60)

135. Add clarifications on the distinction between maintenance and capital repairs for intangible assets in chapters 7 of the 2025 SNA.

136. To be implemented by: Editorial team

137. Priority level: 3

27. Transfer of ownership of an asset during its life (issue 61)

138. At least from a conceptual point of view, an alternative treatment, recognizing the transfer of the underlying asset at the end of the lease period, seems to be warranted and could be clarified. The editorial team could develop a short issues note for consideration by the AEG.

(i) Action point 16 (issue 61)

139. Draft issues note on a possible alternative treatment of the transfer of leased assets at the end of the lease period.

140. To be implemented by: Editorial team

141. Priority level: 3

Annex I

List of action points

Action point 1 (issue 7)

Provide broad conceptual guidance on price and volume measurement in chapter 18 of the 2025 SNA

To be implemented by: Editorial team, in cooperation with a small number of experts.

Priority level: 2

Action point 2 (issue 9)

Add text on nationality concept in chapters 23, 29 and/or 37 of the 2025 SNA

To be implemented by: Editorial team

Priority level: 2

Action point 3 (issue 13)

Include text on partitioning of assets in chapters 14, 16 and/or 32 of the 2025 SNA

To be implemented by: Editorial team

Priority: 2

Action point 4 (issue 17)

Provide guidance on the recording of crypto-assets without a corresponding liability designed to act as a medium of exchange

To be implemented by: Financial Issues Task Team

Priority: 1

Action point 5 (issue 27)

Include text on significant differences between on the one hand the SNA, and on the other hand IPSAS and IAS, to be included in chapters 1, 28, 29 and 30 of the 2025 SNA.

To be implemented by: Editorial team, in cooperation with the IPSAS community

Priority level: 1

Action point 6 (issue 29)

Draft an issues note on when, and when not, to consider trusts and other types of funds as separate institutional units.

To be implemented by: Editorial team

Priority level: 1

Action point 7 (issue 32):

Liaise with GFS community to update, if needed, the guidance on the treatment of public-private partnerships in chapter 30 of the 2025 SNA.

To be implemented by: GFS community

Priority level: 2

Action point 8 (issue 37)

Draft an issues note on (the consistency in) the application of sum-of-costs approach.

To be implemented by: Editorial team

Priority level: 1

Action point 9 (issue 39)

Include further guidance on the measurement of output of central banks in chapter 7 of the 2025 SNA, and draft an issues note on the possibility to address the current inconsistencies between the SNA and the ESA.

To be implemented by: Editorial team.

Priority level: 2

Action point 10 (issue 41)

Draft an issues note with more detailed guidance on (i) the inclusion of holding gains/losses in the changes in life insurance and annuity technical reserves and the changes in pension entitlements when calculating the implicit service charges for life insurance, annuities and pension funds; and (ii) the inclusion of capital income derived from the investment of an insurer's own funds in the calculation of the value added of insurance corporations.

To be implemented by: Editorial team

Priority level: 1

Action point 11 (issue 48)

Include, in a concise way, already existing guidance on accounting under conditions of high inflation in chapter 20, and possibly other chapters, of the 2025 SNA.

To be implemented by: Editorial team

Priority level: 2

Action point 12 (issue 50)

Add clarifications on the relationship between work-in-progress and non-produced assets on the one hand, and the measurement of capital services on the other hand

To be implemented by: Editorial team

Priority level: 2

Action point 13 (issue 52)

Draft an issues note on the resolution of the current ambiguities and inconsistencies regarding the recording of social security and employment-related schemes, and on the current guidance for constructive liabilities in paragraphs 3.34 and 3.40 of the 2008 SNA.

To be implemented by: Editorial team, in cooperation with a small number of specialists

Priority level: 1

Action point 14 (issue 59)

Add clarifications on the treatment of costs of ownership transfer for different types of assets, first and foremost in chapters 11 and 14 of the 2025 SNA.

To be implemented by: Editorial team

Priority level: 2

Action point 15 (issue 60)

Add clarifications on the distinction between maintenance and capital repairs for intangible assets in chapters 7 of the 2025 SNA.

To be implemented by: Editorial team

Priority level: 3

Action point 16 (issue 61)

Draft issues note on a possible alternative treatment of the transfer of leased assets at the end of the lease period.

To be implemented by: Editorial team

Priority level: 3
