

Towards the
2025 SNA

Consolidated list of changes and clarifications to the 2008 SNA

Pete Harper
SNA Update Project
Manager

Peter van de Ven
SNA Update Lead
Editor

Webinar, 25 August 2023

Please visit https://unstats.un.org/unsd/nationalaccount/SNAUpdate/recommended_changes/lod.asp for more information

Overview

- **Process leading up to the consolidated list of changes and clarifications**
- Recommendations for **conceptual changes**
- Questions for clarification
- Recommendations for **additional tables/data items**
- Break
- Questions for clarification
- Recommendations for **clarification/guidance** (focus on the more substantive ones)
- Questions for clarification
- **Process for the update going forward**

**Process leading up to the
consolidated list of changes and
clarifications**

Initiation of the update process

- In 2020 UNSC requested the Inter-Secretariat Working Group on National Accounts (ISWGNA) to submit, for consideration by the Commission at its fifty-second session in 2021, **a road map for the revision of SNA** for adoption by the Commission in 2025
- Subsequently, the IMF Committee of Experts on Balance of Payments Statistics (BOPCOM) decided to launch a parallel process **for updating the BPM6** with a target release date of March 2025
- The **2021 UNSC meeting endorsed the work programme** for the update of the 2008 SNA
- In early 2022, the Project Manager (**Pete Harper**) and Lead Editor (**Peter van de Ven**) commenced work. They are supported by a **five-person editorial team**.
- The update of the SNA is **overseen by the ISWGNA**, assisted by the **Advisory Expert Group (AEG)** on National Accounts

Key features of the update process

Undertaking technical research on prioritized and other national accounts issues

- In 2020, the UNSC endorsed a **research agenda** that had been prepared by an ISWGNA Task Force in consultation with the AEG

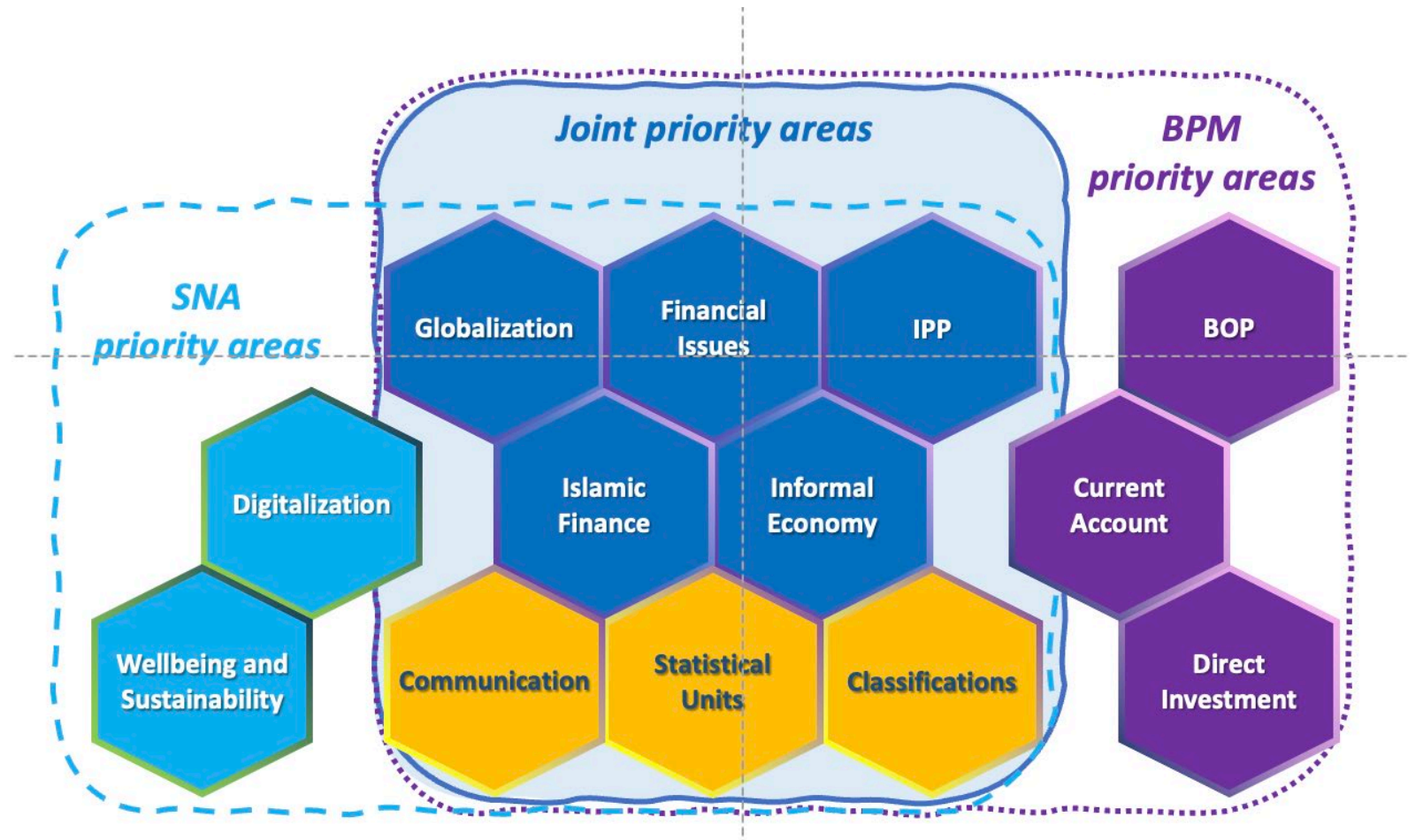
Engaging in a broad consultation on update issues

Ensuring overall consistency with other statistical standards in the system of economic statistics

- In particular, **close collaboration between SNA and BPM updates**

A program of experimentation and testing of selected recommendations

Priority areas of research



Development of guidance notes (1)

- The workstreams for each area of research were organized by **Task Teams**
- **Guidance notes** were developed during 2021 and 2022 for each of the prioritized issues covering both **conceptual and practical** guidance
- These clearly identified issues affecting the **sequence of economic accounts (central framework)** compared with those that would be addressed in **additional tables** or **data items**, and developed recommendations for these issues
- In other cases, **clarification** of existing guidance or **guidance in new areas** was recommended

Development of guidance notes (2)

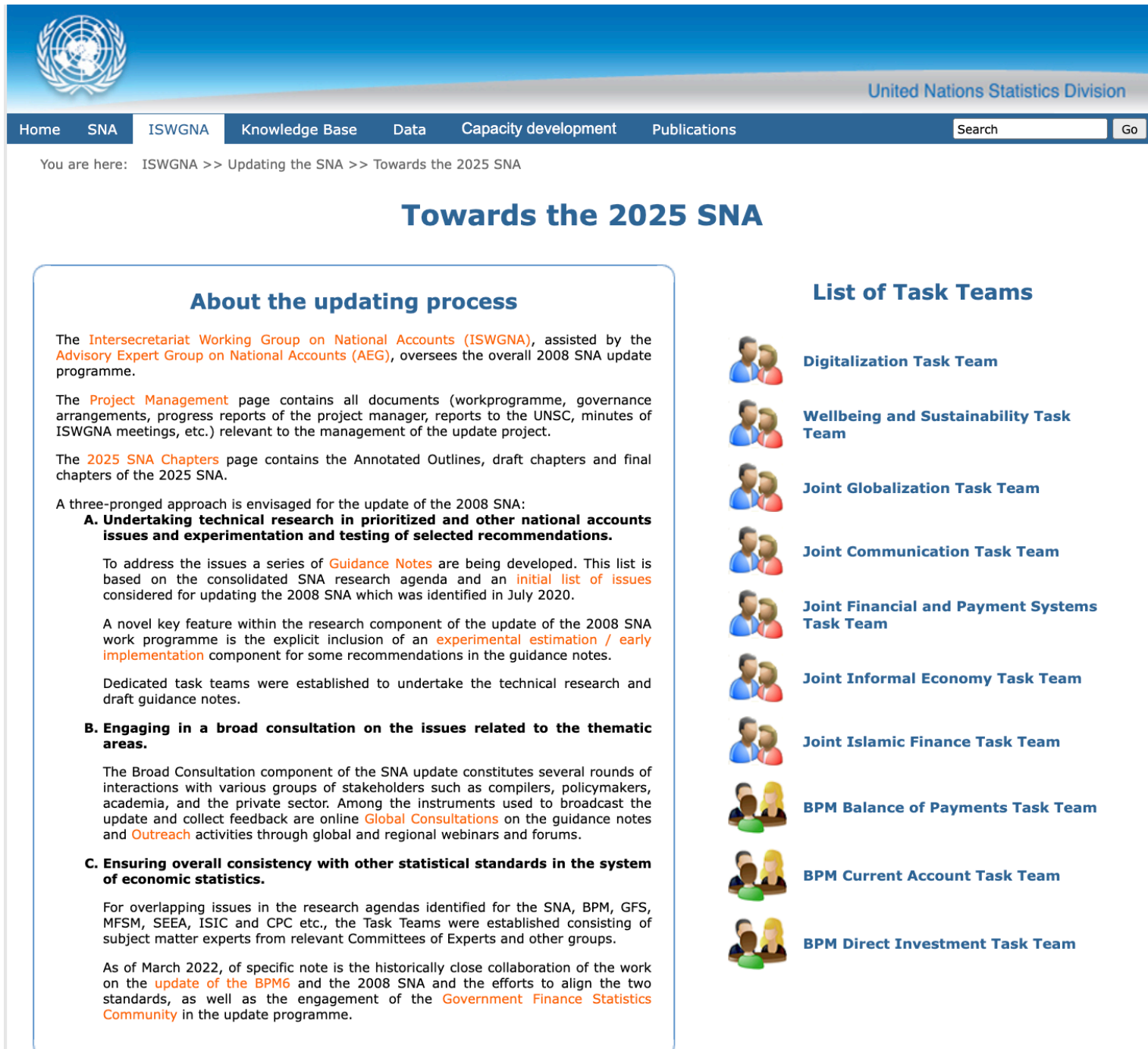
- Not only the conceptual implications but also the **feasibility** of implementing the proposed conceptual solutions were considered
- Where needed, the development of the guidance notes was informed by a process of **experimentation and testing**
 - This phase concluded in early 2023 and involved 9 guidance notes
 - There was also **user testing** of a further 3 guidance notes
- After initial endorsement by the AEG (and BOPCOM where relevant), the guidance notes were subject to a **global consultation process**
- Following consideration of the feedback from global consultation, the AEG (and BOPCOM) provided **final endorsement for the Guidance Notes**
- This process is essentially completed

Other proposed changes to the 2008 SNA

- In late 2022 **progress on the agreed research agenda** was assessed
 - This led to a number of action points that were addressed in the first half of 2023
 - Global consultation where recommendations regarding these items involved substantive change to the SNA
- **Updated guidance to the 2008 SNA agreed at past meetings of the AEG** will also be included in the updated SNA

SNA Update Website

<https://unstats.un.org/unsd/nationalaccount/Towards2025.asp>



The screenshot shows the United Nations Statistics Division website. At the top left is the UN logo. The header includes the text 'United Nations Statistics Division' and a navigation menu with links: Home, SNA, ISWGNA, Knowledge Base, Data, Capacity development, and Publications. A search bar is located on the right. Below the navigation, a breadcrumb trail reads: 'You are here: ISWGNA >> Updating the SNA >> Towards the 2025 SNA'. The main heading is 'Towards the 2025 SNA'. A central box titled 'About the updating process' contains several paragraphs of text. To the right, a section titled 'List of Task Teams' lists ten teams, each accompanied by a small icon of two people.

About the updating process

The [Intersecretariat Working Group on National Accounts \(ISWGNA\)](#), assisted by the [Advisory Expert Group on National Accounts \(AEG\)](#), oversees the overall 2008 SNA update programme.

The [Project Management](#) page contains all documents (workprogramme, governance arrangements, progress reports of the project manager, reports to the UNSC, minutes of ISWGNA meetings, etc.) relevant to the management of the update project.

The [2025 SNA Chapters](#) page contains the Annotated Outlines, draft chapters and final chapters of the 2025 SNA.

A three-pronged approach is envisaged for the update of the 2008 SNA:

A. Undertaking technical research in prioritized and other national accounts issues and experimentation and testing of selected recommendations.

To address the issues a series of [Guidance Notes](#) are being developed. This list is based on the consolidated SNA research agenda and an [initial list of issues](#) considered for updating the 2008 SNA which was identified in July 2020.

A novel key feature within the research component of the update of the 2008 SNA work programme is the explicit inclusion of an [experimental estimation / early implementation](#) component for some recommendations in the guidance notes.

Dedicated task teams were established to undertake the technical research and draft guidance notes.

B. Engaging in a broad consultation on the issues related to the thematic areas.










The Broad Consultation component of the SNA update constitutes several rounds of interactions with various groups of stakeholders such as compilers, policymakers, academia, and the private sector. Among the instruments used to broadcast the update and collect feedback are online [Global Consultations](#) on the guidance notes and [Outreach](#) activities through global and regional webinars and forums.

C. Ensuring overall consistency with other statistical standards in the system of economic statistics.

For overlapping issues in the research agendas identified for the SNA, BPM, GFS, MFSM, SEEA, ISIC and CPC etc., the Task Teams were established consisting of subject matter experts from relevant Committees of Experts and other groups.

As of March 2022, of specific note is the historically close collaboration of the work on the [update of the BPM6](#) and the 2008 SNA and the efforts to align the two standards, as well as the engagement of the [Government Finance Statistics Community](#) in the update programme.

List of Task Teams

-  **Digitalization Task Team**
-  **Wellbeing and Sustainability Task Team**
-  **Joint Globalization Task Team**
-  **Joint Communication Task Team**
-  **Joint Financial and Payment Systems Task Team**
-  **Joint Informal Economy Task Team**
-  **Joint Islamic Finance Task Team**
-  **BPM Balance of Payments Task Team**
-  **BPM Current Account Task Team**
-  **BPM Direct Investment Task Team**

The consolidated list of changes and clarifications

- A **consolidated list of changes and clarifications** has been developed for global consultation
- The objective of the consultation is the **coherency** and **consistency** of the recommendations
 - Each individual recommendation has already gone through a process of global consultation
 - For the most part, there was overwhelming support for the recommendations
 - In the limited number of cases where divergent views were expressed the AEG tended to favour the majority while ensuring conceptual soundness and consistency with SNA principles
- **Questions for consultation**
 - Are the recommendations clear, straightforward and unambiguous?
 - Are the recommendations consistent?
 - Do you have any other concerns about the recommendations?

Overview of proposed changes

TABLE 2 Update of the 2008 SNA – Recommendations that impact on the measurement of important national accounts aggregates and/or require the compilation of additional statistics

	Conceptual change					Additional data item/table				Clarification		Guidance		
	Impact on GDP	Impact on NDP	Impact on GG	Impact on net worth	Other	Breakdown	Economic table	Supplementary item/table	Extended table/account	Thematic table/account				
A. Generic issues														
A.4	IE.1 Statistical framework for the informal economy													
B. Further specifications of statistical units and revisions in institutional sectoring														
B.1	WS.2 Distributions of household income, consumption and wealth													
B.1	G.2 Treatment of MNE and intra-MNE flows													
B.1	G.4 Treatment of Special Purpose Entities and residency													
B.1	F.7 Impact of Fintech on macroeconomic statistics													
B.2	X.18 Statistical units													
B.3	G.4 Treatment of Special Purpose Entities and residency													
C. Further specifications of the scope of transactions including the production boundary														
C.1	D2.9 Incorporating digital intermediary platforms into the SNA													
C.3	A1.2 Treatment of rent													
C.3	X.55 Further alignment of the sum-of-costs approach													
C.4	X.3 Treatment of the output of central banks													
C.6	F.15 Debt Concessionality													
C.7	F.2 Asymmetric treatment of reinvested earnings													
C.7	D.17 Identifying superdividends and establishing the borderline between dividends and withdrawal of equity in the context of direct investment													
C.8	A1.2 Treatment of Rent for the "Recording of Data", "Marking Assets" and "Biological Resources"													
C.9	F.12 Covering hybrid insurance and pension products													
D. Extensions and further specifications of the concepts of non-financial assets, capital formation and consumption of fixed capital/depletion, including changes related to other transactions in goods and services														
D.1	D2.6 Recording of data in the national accounts													
D.1	G.9 Payments for "knowledge-based capital" (marketing assets)													
D.2	F.18 The recording of crypto-assets in macroeconomic statistics													
D.4	WS.6 Economic ownership and depletion of natural resources													
D.4	WS.11 Treatment of renewable energy resources as assets													
D.5	WS.8 Accounting for biological resources													
D.10	D2.7 Improving the visibility of artificial intelligence in the national accounts													
D.10	WS.12 Environmental classifications													
E. Further refinement of the treatment and definition of financial corporations, financial instruments and financial assets														
E.1	F.1 More disaggregated institutional sector and financial instruments breakdowns													
E.2	F.18 The recording of crypto-assets in macroeconomic statistics													
E.3	F.8 Valuation of debt securities at both market and nominal value													
E.3	B.12 Treatment of equity in international organizations that is in the form of unlisted shares or nonnegotiable equity													
E.6	X.16 Accounting for pensions: supplementary table on household retirement resources													
E.7	F.4 Financial derivatives by type													
E.8	X.59 Clarification note on treatment of securities (and gold bullion) under reverse transactions													
E.9	WS.9 Recording of provisions													
E.10	WS.12 Environmental classifications													
G. Broadening the framework of national accounts to capture wellbeing and sustainability														
G	WS.3 Unpaid household service work													
G	WS.4 Labour, education and human capital													
G	WS.5 Indicators of health care in the SNA													
H. Other issues														
H.3	D2.4 Recording and valuing "free" products in an SNA satellite account													
H.3	D2.5 Increasing the visibility of digitalisation in economic statistics through the development of digital supply-use tables													

TABLE 3 Update of the 2008 SNA – Other recommendations for clarification or additional guidance

		Clarification			Guidance			No change		
A. Generic issues										
A.1	CM.4 Use of net measures in the presentation of the National Accounts									
A.2	A1.1 Valuation principles and methodologies									
A.2	X.24 Refocusing 2008 SNA Chapter 20 (Chapter 17 in the 2025 SNA) on capital services and the national accounts									
A.3	IF.1 Islamic finance in the National Accounts and External Sector Statistics – new chapter									
A.4	X.32 Establishing clearer links to ICLS resolutions – Informal economy									
A.5	X.53 Include text on significant differences between the SNA and IPSAS/IAS									
B. Further specifications of statistical units and revisions in institutional sectoring										
B.1	G.7 Global value chains and trade in value-added									
B.3	B.3 Centralised Currency Unions									
B.3	X.4 The delineation of head offices and holding companies in the national accounts									
B.3	X.39 Output of off-shore banks									
B.3	X.54 Draft an issues note on when, and when not, to consider trusts and other types of funds as separate institutional units									
C. Further specifications of the scope of transactions including the production boundary										
C.1	D2.8 Cloud computing									
C.2	G.7 Global value chains and trade in value-added									
C.2	C.4 Merchandising and factory-less producers: clarifying negative exports in merchandising and merchandising of services									
C.4	F.14 Treatment of factoring transactions									
C.4	X.10 FISIM									
C.5	X.44 Recording of deferred or waived rental payments									
C.5	X.45 Recording of deferred delivery of and payments for goods and services									
C.5	X.46 Recording of deferred interest payments									
C.6	IF.1 Islamic finance in the National Accounts and External Sector Statistics – measurement of interest									
C.6	X.6 The statistical treatment of negative interest									
C.7	D.16 Treatment of retained earnings									
C.10	X.5 Recording of flows between a defined benefit pension fund and its sponsor									
C.10	X.8 Confirmation of adjustments to the measurement of non-life insurance									
C.10	X.12 Accounting for pensions: treatment of holding gains and losses									
C.10	X.35 Improve consistency in the use of terminology for insurance									
C.10	X.41 Recording of refunded premiums at surrender of insurance policies									
C.11	C.7 Treatment of travel packages, health-related travel, and taxes and fees on passengers' tickets									
C.11	C.8 Recording penalties and fines									
D. Extensions and further specifications of the concepts of non-financial assets, capital formation and consumption of fixed capital/depletion, including changes related to other transactions in goods and services										
D.3	D2.10 Non-fungible tokens (NFTs)									
D.4	WS.10 Valuation of mineral and energy resources									
D.6	WS.7 Treatment of emission trading schemes									
D.7	G.5 Economic ownership of intellectual property products – recording of intra-MNE transactions									
D.7	X.3 Recording of work in progress									
D.8	X.52 Include text on partitioning of costs									
D.8	X.56 Add clarification on the treatment of costs of ownership transfers for different types of assets									
D.8	X.57 Add clarification on the distinction between maintenance and capital repairs for intangible assets									
D.8	X.58 Issues note on a possible alternative treatment of the transfer of leased assets at the end of the lease period									
D.9	CM.4 Use of Net measures in the presentation of the National Accounts – use of geometric depreciation									
D.9	X.2 Service fees of military system									
D.9	X.9 Capital services of assets not contributing to production									
D.11	G.1 Valuation of imports and exports of goods									
E. Further refinement of the treatment and definition of financial corporations, financial instruments and financial assets										
E.4	F.9 Valuation of loans (fair value)									
E.5	F.16 Subscription Rights									
E.6	X.14 Accounting for pensions: recognition of pension entitlements relating to social security schemes									
E.7	F.10 Treatment of cash collateral									
E.7	F.10 Treatment of cash collateral									
E.8	F.3 Reverse transactions									
E.8	F.10 Treatment of cash collateral									
E.8	D.18 Cash pooling in direct investment									
E.8	X.37 Recording of central bank swap arrangements									
E.9	X.14 Accounting for pensions: recognition of pension entitlements – contingent liabilities									
F. Further specifications of the scope of transactions concerning government and public sector										
F.1	WS.7 Treatment of emission trading schemes									
F.2	X.11 The recording of stability fees									
F.3	WS.14 Distinction between tax and service transaction and other borderline cases									
F.4	D.8 Public-private partnerships									
F.5	D.5 Eliminating the imputation for an entity owned or controlled by general government that is used for fiscal purposes									
F.6	B.8 Recording citizenship by investment programs									
F.6	B.9 Treatment of external assets and related income declared under tax amnesty									
F.6	X.43 Government support to businesses and households									
G. Broadening the framework of national accounts to capture wellbeing and sustainability										
G	WS.1 A broader SNA framework for wellbeing and sustainability									
G	X.32 Establishing clearer links to ICLS resolutions – labour accounts									
H. Other issues										
H.1	D2.1 Price and volume measurement of goods and services affected by digitalisation									
H.1	X.10 FISIM – price and volume measurement									
H.1	X.21 Adding text on productivity measurement to 2025 SNA Chapter 18									
H.1	X.22 Adding a section, in the 2025 SNA Chapter 18, on the volume and price measurement of specific products									
H.1	X.27 Estimating the volume of nonnegotiable equity									
H.2	X.42 Accounting under conditions of high inflation									
H.3	X.2 Treatment of "free" products in the "core" national accounts									
H.4	G.7 Global value chains and trade in value-added									
H.4	X.51 Add text on nationality concept									
H.5	CM.2 Terminology and branding of the Economic Accounting statistical standards									
H.6	CM.3 A taxonomy for communicating Economic Statistics, measures, products and product updates									
H.7	CM.1 An Assessment Framework to measure alignment with the Economic Accounting statistical standards									

Recommendations for conceptual changes

General observations

- Only a limited number of conceptual changes affecting macro-economic indicators**, such as GDP/NDP, government deficit, and net worth
- Recognition of **data** as produced assets
 - Recognition of **marketing assets** as produced assets
 - **Renewable energy resources** and adjustments in the **treatment of biological resources**
 - Recording **depletion** of natural resources **as a cost of production**
 - **Split-asset approach** for natural resources (no impact on macro-economic indicators mentioned above)
 - Improving consistency in the application of the **sum-of-costs method**
 - Changes in the measurement of the **output of central banks**
 - Other **minor changes** to the 2008 SNA (no impact on macro-economic indicators)

Data, data,
data, ...

- 2008 SNA: **Recognized databases as produced assets, but not the information content**
- 2025 SNA: **Also recognizes the information content of electronic data** collected and used in production
- **Valuation using the sum-of-costs method:**
 - costs of planning, preparing and developing a data production strategy
 - costs associated with accessing, recording and storing information embedded in OPs, including explicit purchases of OPs and already produced data
 - costs associated with designing, organizing, testing and analyzing the data in order to draw information and conclusions from it
 - consumption of the fixed capital used, including return to capital
- Change may have significant impact on GDP and net worth

Marketing assets

- 2008 SNA: **Marketing assets (and goodwill) only recognized as non-produced non-financial assets**, the measurement of which is limited to explicit purchases of the relevant assets (or implicit purchases when a corporation is purchased at a price higher than its net worth)
- 2025 SNA: **Recognizes marketing assets as produced assets**, thus significantly extending the asset (and production) boundary with assets produced for own final use
- **Valuation using the sum-of-costs method:**
 - Further research in delineating, in practice, expenditures leading to the build-up of (fixed) capital from current expenditures
- Change may have significant impact on GDP and net worth

Renewable energy resources and adjustments in the treatment of biological resources

- Explicit recognition of **renewable energy resources** (solar, wind, geo-thermal, etc.)
- **For biological resources, three changes and clarifications** are introduced in the 2008 SNA:
 - 2008 SNA included a **discrete choice** between cultivated and non-cultivated resources yielding once-only products, based on management and control; 2025 SNA includes a **differentiation between migrating resources (non-cultivated) and non-migrating resources (cultivated, based on continuum from intensely managed to totally undisturbed)**
 - **Regeneration** of biological resources to be recorded as **gross fixed capital formation**, while – similarly to mineral and energy resources – **depletion is treated as a cost of production** (see next slide)
 - Clarifications for the **measurement of work-in-progress**
- Minor impact on GDP, no impact on net worth (only shifts between non-produced and produced assets, and between work-in-progress and underlying assets)

Recording depletion of natural resources as a cost of production

- 2008 SNA: **Depletion** of natural resources treated as **other changes in the volume of assets**
- 2025 SNA: **Depletion** to be recorded as a **cost of production**, similar with the recording of consumption of fixed capital
- Change will have an impact on NDP, especially in natural resource-rich countries

Split-asset approach for natural resources

- 2008 SNA: **Natural resources** to be recorded **in the accounts of the legal owner** (typically government)
- 2025 SNA:
 - **Natural resources** to be recorded **in the accounts of the legal owner and extractor, according to the appropriation of the resource rents**
 - **Accounting for depletion in line with SEEA Central Framework 2012** (i.e., allocation of depletion in line with appropriation, by adjusting the rents paid by the extractor to the legal owner)
 - **Changes in ownership** to be recorded as **other changes in the volume of assets**
- No change to GDP/NDP and net worth; only change in the allocation of the relevant assets across sectors

Improving consistency of the sum-of-costs method (1)

- In the absence of market prices, application of **sum-of-costs method**, as an approximation of such market prices
- For **market producers** (output for own final use):
 - Intermediate consumption
 - Compensation of employees
 - Consumption of fixed capital
 - Net return to fixed capital
 - Other taxes (less subsidies) on production
- **Four issues in relation to the 2008 SNA**
 - For **non-market producers**, relevant output is valued **excluding return to fixed capital**
 - **Return to capital is excluded for non-financial assets other than fixed assets**
 - Inclusion or exclusion of **payments for rent** on, for example, land and natural resources
 - Inclusion or exclusion of **depletion**, in addition to consumption of fixed capital

Improving consistency of the sum-of-costs method (2)

- 2025 SNA:
 - **All relevant output valued including a return to capital**, thus also for non-market producers
 - Inclusion of **return to non-financial assets other than fixed assets**, thus including inventories and non-produced non-financial assets
 - Note: Return to city parks and historical monuments to be excluded on pragmatic grounds
 - **Inclusion of rent** as a cost element
 - **Inclusion, if relevant, depletion** of natural resources
- Change may have a significant impact on GDP, and a more moderate impact on net worth

Changes in the measurement of the output of central banks

- 2008 SNA:
 - Possibility of **FISIM included**
 - **Two types of services:**
 - Monetary policy services (non-market output)
 - Supervisory services (non-market or market, depending on fees paid for these services)
 - **Non-market output allocated to government**, with a concomitant current transfer
- 2025 SNA:
 - **FISIM excluded** on conceptual grounds
 - **Further extension of services**, to include promoting financial stability and monitoring the payments system
 - **All output considered as non-market output, with payments by financial corporations considered as current transfers**
 - **Output recorded as output for own final use** by the central bank
- Change in GDP = change in recording of transfers

Other minor conceptual changes to the 2008 SNA

- Treatment of **reinvested earnings of FDI-enterprises**: limited to payments related to the sales of assets
- **Extension of the definition of rent** (i.e., payments to the owner for putting certain non-produced assets at the disposal of another unit), by including non-produced non-financial assets other than natural resources
- Recording of **work-in-progress** for fixed assets partially transferred and for fixed assets produced for own final use
- Limitation of **concessional loans** to those provided by employers to employees
- All **equity in international organizations** to be considered as “other equity”
- **Securities provided as collateral**, which are not readily available for meeting balance of payments financing needs, to be excluded from the cash borrower’s reserve assets; for gold swaps, this reclassification leads to a demonetization of the gold bullion

Questions for clarification

**Recommendations for additional
tables/data items**

General observations

- A distinction can be made between the following tables and data items:
 - **Sequence of economic accounts**: standard set of accounts and tables, the compilation of which is recommended
 - **Supplementary tables/items**
 - **Extended/thematic accounts/tables**
- The **SNA does not have the power of law**, but one of the main factors for the success of the SNA is the worldwide compilation of statistics according to its conceptual guidance
- The objective is that **as many countries as possible compile the sequence of economic accounts**
- Encouraged tables and accounts more dependent on national and regional priorities

Accounting for well-being

- To arrive at an improved analysis of the **distribution of income, consumption, saving and wealth across households**:
 - Standard breakdown of households by **income and wealth decile**
 - More detailed **labour accounts**
- In addition, various **other breakdowns of households** (e.g., household composition, main source of income) are put forward as supplementary items
- Extended/thematic accounts and tables:
 - **Unpaid household service work**
 - **Education and human capital**
 - **Health**

Accounting for sustainability

- To arrive at an improved accounting of (environmental) sustainability, **SEEA Central Framework 2012 and SEEA Ecosystem Accounting** are important frameworks which can be viewed upon as systematic frameworks complementary to and consistent with the SNA
- Within the SNA sequence of economic accounts, in addition to recording depletion as a cost of production:
 - **Natural capital as a separate category**, including both produced and non-produced non-financial assets
 - **More detailed breakdowns** of non-financial assets and financial assets
 - **Focus on improving the estimation of natural resources**

Accounting for globalization

- To arrive at a better understanding of the impact of globalization on the generation and distribution of income, and also to arrive at an improved international comparison of fiscal balances, **standard breakdowns of corporations into:**
 - **Foreign-controlled corporations**
 - **Public corporations**
 - **National private corporations**
 - **Of which: Part of domestic MNEs**
- In addition, various supplementary items and tables are encouraged:
 - **Extended supply and use tables (eSUTs)**
 - Data on **Special Purpose Entities (SPEs)** for those countries where these entities are important

Accounting for digitalization

- To improve the visibility of the digital economy:
 - **More detailed breakdowns of certain asset categories** within intellectual property products, in the sequence of economic accounts
 - In addition, **digital supply and use tables** are encouraged as extended/thematic tables, also including **extended accounting for “free” services** (Facebook, Instagram, TikTok, etc.)
 - Further breakdowns of subsectors of financial corporations of **Fintech-related activities**, as supplementary items in countries where these activities are significant

Accounting for financial risks and vulnerabilities

- Since the Great Financial Crisis, it is considered important to arrive at an improved accounting for financial risks and vulnerabilities:
 - **Non-bank financial intermediation** (shadow banking): supplementary tables with more detailed breakdowns of financial corporations, as well as additional details for certain financial instruments
 - Breakdowns of **financial derivatives**
 - **From-whom-to-whom** (supplementary) **tables** (not included in the consolidated list)

Other supplementary items and tables

- **Concessional loans:** supplementary data on concessional loans provided by government and international organizations
- **Reinvested earnings:**
 - **Breakdown of FDI-related dividends** into payments as defined for non-FDI corporations and other payments
 - Supplementary data on **recording reinvested earnings for all equity in corporations**, direct investment as well as portfolio investment
- **Valuation of debt securities** at both market value and nominal value for liability positions
- Supplementary table on **provisions**, broken down into three categories: financial assets related, non-financial assets related, and provisions unrelated to assets

Break

Questions for clarification

**Recommendations for clarification/guidance
(focus on the more substantive ones)**

General

- **Greater prominence on net income measures:** NDP (volume change) will be identified as the conceptually preferred measure of growth, sitting alongside GDP
- **Valuation principles and methodologies:** no change to principles; however much more guidance will be provided, including relationship between the SNA and IAS/IPSAS
- **Terminology:** several terms will be changed to ensure consistency across the SNA and BPM (and other macro-economic statistics)
- **Taxonomy for releases and products:** will be introduced into a new chapter on Communicating and disseminating economic statistics
- **Alignment with international standards:** a framework for assessing alignment will be introduced

Well-being and sustainability

- **Emission permits:** more explicit guidance will be provided on their treatment as financial assets, with taxes on production recorded at surrender, valued at issuance price
- **Distinction between taxes and services:** as a default, payments for licenses to be treated as taxes; new guidance will be introduced on the re-routing of transactions through government
- **Labour:** more precise guidance on the relationship between the SNA and ICLS recommendations will be provided

Globalization

- **Determining economic ownership of intellectual property products:** a decision tree to provide guidance will be introduced
- **SPEs:** a more specific definition will be introduced
- **Treatment of non-resident SPEs owned or operated by government:** an enhanced set of imputations will be described
- **Inverse merchandising:** additional guidance will be provided
- **Valuation of imports and exports:** no change but reference will be made to using invoice values in the future
- **Travel packages and health-related travel:** the unbundling of various services will be clarified

Digitalization

- **Cloud computing**: clarification on the treatment of software licences and GFCF of data centres; recommendations on the measurement of international transactions
- **Digital intermediary platforms**: output to be recorded on a net basis
- **Crypto assets without a corresponding liability designed to act as a general medium of exchange**: will be treated as non-produced non-financial assets, in a separate category
- **Crypto assets with a corresponding liability**: will be treated as financial assets, with guidance to be provided on the appropriate financial instrument classification, depending on the nature of the crypto assets
- **Non-fungible tokens**: guidance will be provided

Financial issues (1)

- **Trusts and similar arrangements:** additional guidance will be provided, including specific recommendations on the treatment of real estate investment trusts
- **FISIM:** implicitly include maturity risk by using a single reference rate, with recommendations to be provided on the choice of the reference rate
- **Factoring transactions:** guidance will be provided
- **Islamic finance:** a new chapter will be introduced to provide guidance in this area
- **Individual insurance and social insurance:** the treatment of hybrid insurance and employer-independent schemes will be clarified; guidance will be provided on the treatment of provident funds

Financial issues (2)

- **Accounting for insurance and pensions:** clarifications and additional guidance will be provided in several areas (in particular, measurement of output and income attributed to policy holders)
- **Cash collateral:** a flexible interpretation on the nature of cash collateral will be provided
- **Reverse transactions:** further clarification and guidance will be introduced

Other

- **Public-private partnerships:** no conceptual changes but more detailed guidance will be provided
- **Price and volume measurement:** more guidance will be provided for specific products
- **Consumption of fixed capital and capital services:** further clarifications and more guidance will be introduced
- **Informal economy:** chapter will be refocussed to improve alignment with ICLS resolutions
- **Accounting under conditions of high inflation:** guidance from 1993 SNA will be reintroduced

Process for the update going forward

Finalising the consolidated list of recommendations

- Global consultation of the consolidated list of changes and clarifications to the 2008 SNA finishes on **15 September 2023**
- The **AEG will consider the feedback** from the global consultation at its meeting on 16-18 October 2023
- **The consolidated list will be updated** to reflect the AEG consideration
- **The IWGNA will submit an updated document to the UNSC for endorsement** at its 55th Session, to be held on 27 February - 1 March 2024

Preparing the updated SNA (1)

- The **proposed chapter structure** for the 2025 SNA was agreed in 2022
 - There is maximum harmonization with the proposed chapter structure for BPM7
- **Annotated Outlines** for new or substantially revised chapters have been prepared and have undergone global consultation
 - This includes Annotated Outlines for seven ‘joint’ SNA/BPM chapters
- Work on **drafting the chapters for the updated SNA has commenced**
 - The initial focus is on new or substantially revised chapters, building on the Annotated Outlines
 - The SNA and BPM update teams are working together closely, with the ‘joint’ chapters being prepared jointly

Preparing the updated SNA (2)

- The **new and substantially revised chapters** will undergo **global consultation** during the period September 2023 – January 2024
- Drafting of chapters that are **not new or substantially revised will commence around October 2023**
 - Changes in these chapters will be shown in the form of ‘track changes’
- In mid 2024, the **complete draft of the 2025 SNA** will be circulated for **global consultation**
- **The AEG/ISWGNA will ‘sign off’ on the updated SNA around October 2024** in anticipation of **approval by UNSC in early 2025**
- As well as a paper version, there will also be a **digital version** of the 2025 SNA

Glossary

- **A glossary of terms and definitions** is being prepared, to be jointly used for the 2025 SNA and BPM7
- The initial work involved **identifying the terms and definitions** in the SNA, BPM, GFS, MFS, SEEA, IPSASB, IASB and BIS
- The next step involved **confronting differences and proposing common terms and definitions**, to arrive at a common glossary
- The glossary has recently been **reviewed with key stakeholders** (i.e., GFS, MFS, SEEA)
- In September – October 2023 the glossary will be **reviewed by AEG/BOPCOM**
- Following AEG/BOPCOM endorsement the glossary will be made **publicly available**
- In late 2023/early 2024 the glossary will be **translated into the UN official languages**

Early Implementation (1)

- The aim of early implementation is to **assist countries in preparing** for the implementation of the 2025 SNA after its adoption by the UNSC in 2025
- This will be achieved by:
 - Developing **'best practice' guidelines** to aid in the implementation of recommendations
 - Encouraging countries in the early implementation of recommendations by **developing sources, methods and processes**
 - Gaining an **understanding of the impact of recommendations** on key national accounting aggregates
- 14 guidance notes have been identified for early implementation

Early Implementation (2)

- The following are considered to be **high priority**:
 - DZ.6 **Recording of Data** in the National Accounts
 - G.9 Payments for Non-produced Knowledge-Based Capital (**Marketing Assets**)
 - F.18 The Recording of **Crypto Assets** in Macro-economic Statistics
 - WS.6 Accounting for the Economic **Ownership and Depletion of Natural Resources**, WS.8 Accounting for **Biological Resources**, WS.10 **Valuation of Mineral and Energy Resources** and WS.11 Treatment of **Renewable Energy Resources** as Assets
- **Task Teams have been established** to take the work forward
- Participation in early implementation is **voluntary**
- Resources will be sought to **assist developing countries**
- A **compilers hub** is being developed to support implementation
- More generally, a **strategy for implementing the 2025 SNA** will be developed, in consultation with countries

Thank you for your attention!

For questions, please contact sna@un.org

