ISWGNA TELECONFERENCE DECEMBER 7, 2007

Participants
    Eurostat: G. Gueye, J. Verrinder, L. Frankfort
    IMF: K. Zieschang (Chair), L. Rivas
    OECD: C. Aspden, P. Schreyer
    World Bank: B. Hexeberg
    UNECE: L. Bratanova, T. Dimova
    UNSD: I. Havinga, V. Vu, H. Smith, A. Becker (Minutes)
    1993 SNA Update project: C. Carson (Project Manager), A. Harrison (Editor)

1. Report on the Eurostat/ECB Pension Task Force meeting

OECD and Eurostat reported on the outcome of the Eurostat/ECB Pensions TF meeting (4-5 December) relevant for 1993 SNA Rev.1. Although the TF was unable to identify a decision tree that could be used for determining when government-sponsored employer schemes should or should not be included in the core national accounts, five criteria were identified for this purpose. The TF proposed text to be included in the 1993 SNA Rev.1 describing the criteria. However, there are some differences between the TF text and the recommendation of the AEG on the treatment of pension funds. The Editor would consult with Charles Aspden and John Verrinder to try to find how nearly the SNA text can be brought to a position the TF would be comfortable with short of overturning the AEG recommendations and what differences remain. When they are agreed a note will be circulated to the ISWGNA with the view to a circulation to the AEG later.

2. Outstanding unresolved issues on chapter 3

Contingent liabilities

Paragraphs 3.40 and 3.41: The ISWGNA requested the Editor to re-formulate paragraph 3.40 making clear that contingent liabilities are recognized only when they take on the characteristics of an actual obligation.

Net present value
Paragraph 3.126: A revised version of this paragraph had been circulated in two versions. Some changes were suggested and agreed.

3. Outstanding unresolved issues on chapter 4

Treatment of SPEs

The ISWGA accepted the formulation of the Editor on this issue, "even if they are legally separate units, SPEs that are passive are merged with the parent (unless non-resident) but if they take on the risks and rewards from selling assets and incurring liabilities and can act independently, they are treated as separate institutional units."

4. Outstanding unresolved issues on chapter 5

Ancillary activities

Paragraph 5.42: The ISWGA discussed possible alternative treatments for recording ancillary activity when a significant part of it is sold. Eurostat asked to postpone a decision until Monday 10 December 2008 so that it could give the matter further consideration

5. Outstanding unresolved issues on chapter 6

Life insurance

The Editor raised a concern on the calculation of output of life insurance. UNSD will circulate a paper by Monday presenting a proposed solution. A Sub-committee consisting of Project Manager, Editor and OECD will evaluate the proposed solution and recommend what to do next.

6. Outstanding unresolved issues on chapter 7

Entrepreneurial income

The ISWGNA decided that in line with the current definition of entrepreneurial income, it is relevant only for the corporate sectors. The tables will be changed to reflect this.

7. Status of ISWGNA report to the UNSC

UNSD reported that all comments have been incorporated into the draft report and the final document will be submitted today and circulated to the ISWGNA:MG and NA.

8. The process forward

To expedite the drafting process of the remaining chapters the ISWGNA agreed to the following steps:

> The Editor will flag problems encountered during drafting of the chapter, distinguishing between minor and major problems.
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> Minor problems will be circulated with a 24 hours response deadline
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> Major problems will be circulated with a deadline determined by the Project Manager.
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> Project Manager in consultation with Editor will provide a ruling based on responses received by the agreed deadline for problems not finding a consensus resolution within the agreed deadline.

9. Next teleconference

The next teleconference is scheduled for Thursday, 13 December 9:30 am EST.