

**Comments on draft SNA chapter:
Chapter 9: The use of income account**

**Deadline for comments: 03 December 2006
Send comments to: sna@un.org**

Your name:	Cornelis Gorter
Your country/organization:	IMF
Contact (e.g. email address):	cgorter@imf.org

This three-part template allows you to record your comments on draft chapter 9 easily and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any one, any two, or all of the three parts of the template.

Save this template and send it as an attachment to the following e-mail address:
sna@un.org

Part I: General comments

In the space below, please provide any general comments, such as about the clarity with which the new recommendations were incorporated (30 words or less).

Comment:

<p>In general we welcome the review of the chapter. We would have several editing suggestions on the version that is posted (version 2 of 8/31/2006). The two indicated recommendations for this chapter (items 2 and 37) have not yet been incorporated.</p>

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 9, you may wish to devote particular attention to the passages listed below. There is space after each issue for any comment you wish to make.

1. Section C contains expanded text on the treatment of imputed expenditures including the treatment of income in kind and barter.

Comment:

We are not yet satisfied with the new text in Sections B and C for the following reasons:

- Expenditures are often used in a wider concept than they are defined in para 9.32. It would be good to explicitly limit this definition to goods and services.
- We see expenditures as a type of transactions rather than as values such as defined in para 9.32. This implies that we would see barter transactions not as imputed expenditure, but as a class of transactions for which there is no directly observable exchange value.
- We would like to see the discussion in Section B start with acquisitions (the more general case) and treat expenditures as a subclass thereof. Expenditure could then be acquisitions with a counterpart; they would include barter and goods and services obtained as income in kind.
- The text could explain that the System classifies acquisitions of goods and services by the type of use the owner makes of them.

2. Section C has more detail on the types of financial service paid for by households indirectly, which need to be identified and separated from transaction prices or interest flows.

Comment:

We welcome the further explanations provided by Section D. However, FISIM paid by households is not necessarily final consumption expenditure because households can also act as producers.

3. Section F describes the reconciliation between general government output and consumption expenditure.

Comment:

We think this is an important improvement.

Part III. Other specific comments

You are welcome to make other comments. Please do so by using Adobe Acrobat Version 6 or 7 to comments directly on the PDF of the draft chapter.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make very detailed comments please send a message to sna@un.org requesting to receive a version of the draft chapter permitting you to comment. To optimize your commenting tools please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>