

**Comments on draft SNA chapter:
Chapter 11: The financial account**

Deadline for comments: 12 February 2007
Send comments to: sna@un.org

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This three-part template allows you to record your comments on draft chapter 11 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:

Overall the chapter is rather satisfactory.

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 11, 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. One of the points that has been under discussion even as the chapter was being draft was the treatment of inter-bank deposits. Are you satisfied with the inclusion of inter-bank deposits under currency and deposits for the reasons explained in section C2?

Comment:

I am content with the decision, but the argumentation in the draft text concentrates on why it is useful to distinguish interbank positions from positions of banks vis-à-vis others and conflates that with the argument to combine interbank positions into one instrument. Even here, some of the remarks seem to be rather non-sequitur-ial. The draft does not seem to advance any arguments other than “by convention” to favour recording them as deposits rather loans. Are there any?

2. Is there sufficient, too much or too little detail on the different types of debt securities in section C3?

Comment:

I think the balance is about right. However it would be worth introducing the detailed paragraphs from .53 onwards by a sentence disclaiming any attempt to be comprehensive. A possible addition would be to mention the distinction between registered and bearer securities, if only to acknowledge to compilers that the practical problems in measuring and counterparting the latter are more severe.

3. Is the coverage of the items related to insurance, pension and standardised guarantees satisfactory? (There will be an overview of all items relating to these schemes in chapter 17 on Cross-cutting and Other Special Issues).

Comment:

Satisfactory in a difficult situation. Its focus on the entries in the financial accounts does read a little oddly (although understandable since this is what this chapter is about) , and perhaps there should be explicit remarks to the effect that there is a plethora of entries in the other accounts, and that the relationship between the entries in the balance sheets and those in the financial transactions account are not straightforward.

4. Sections F to I describe briefly other possible dimensions to the accounts.

Comment:

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5. Do you agree to moving the section on flow of funds from this chapter to one (chapter 26) dealing with the link between the SNA and monetary and financial statistics?

Comment:

Yes.

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>

Comment: I have had technical problems in doing this in our IT set-up. I am providing detailed comments (mainly textual or drafting) in a Word version of the chapter.