

**Comments on draft SNA chapter:
Chapter 12: Other changes in assets accounts**

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

Your name:	Click here and enter your name
Your country/organization:	Germany / Federal Statistical Office
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This three-part template allows you to record your comments on draft chapter 12 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:

If R&D expenses are not treated as fixed assets, the status of Patents (treated as non-produced assets in the SNA 1993) will have to be restored. All concerned paragraphs will have to be updated in this case.

Table 12.1 looks confusing to us, are there intermediate headlines missing?

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 12, 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. Sections B: As compared with the hierarchy of entries in the other changes in the volume of assets account in the 1993 SNA, the proposed list for the update has been restructured with the intention of making it easier to associate entries in the other changes in the volume of assets accounts with the entries in the other accumulation account chapters including the balance sheet.. Do you find this successful or are there other changes you would suggest?

Comment:

12.16: We suggest to address here also the case of an upward reappraisal of valuables due to the increased intrinsic value attributed to an object.

12.23: We favour to address here also the case, where changes in uses occur as a consequence of a reduced quality due to economic use in the production. This is the case when animals are reclassified from fixed assets to inventories and then sold for slaughtering (especially when the amortisation has not covered the whole reduction in the value of the animals during their use as fixed assets).

12.32: We miss a clarification between selling and sub-contracting a transferable contract. In the SNA 1993 subcontracting a transferable contract was recorded as production, whereas selling such contracts was recorded outside the production boundary as other changes in volume.

12.34: We see no way to calculate the value of purchased goodwill for a single or individual enterprise. Therefore we advocate that National Accounts should proceed by using macro data instead of calculating assets for individual businesses. In addition we propose to value purchased goodwill and marketing assets only on the basis of statistical data to be gained in accordance with the IAS and IFRS.

12.61: We suggest, to add also animal diseases into the enumeration of possible exceptional losses, otherwise one may conclude that all animal diseases on a large scale have to be treated as catastrophic losses. Further, it would seem helpful to introduce also the unpredictability as criterion for exceptional losses, because some animal epidemic diseases may cover more than one accounting period.

12.79: There is a lack of clarity about how recording the reduction in value of animals reclassified from assets to inventories.

12.110: The present wording implies the necessity of recording holding gains for work-in-progress products. In SNA 10.132 it is said, that work-in-progress may have to be re-valued when prices change. This may lead to the conclusion that the estimations for work-in-progress have to be corrected without recording any holding gains. We suggest to exclude work-in-progress from holding gains recording.

2. Does it make sense to have information on the other changes in financial assets moved to this chapter instead of, as previously, having them in chapter 11? In the 1993 SNA, the information on the other changes in financial assets was covered in chapter 11, The Financial Account. Do you see any problems with moving this information to this chapter?

Comment:

Click here and start typing.

3. It is proposed to make the existing annex on the calculation of holding gains and losses an electronic annex, available to all users of the manual but not included in the printed version. Do you have comments on this proposal?

Comment:

Click here and start typing.

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>