

**Comments on draft SNA chapter:
Chapter 13: The balance sheet**

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

| | |
|-------------------------------|--|
| Your name: | Peter Harper |
| Your country/organization: | ABS |
| Contact (e.g. email address): | peter.harper@abs.gov.au |

This three-part template allows you to record your comments on draft chapter 13 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:

| |
|---------------------|
| No general comments |
|---------------------|

Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 13, 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. Do you find it helpful to have the definitions of assets included as the assets are introduced rather than assembled in an annex to chapter 13? (A comprehensive glossary, drawing on the definitions in the text, will be available.)

Comment:

We support and encourage the use of definitions where assets are introduced within the relevant text.

2. Section A: Do you find it helpful to describe asset accounts in this chapter to explain the links between balance sheets and stock of assets as used for PIM calculations and as used in the SEEA?

Comment:

Yes, we agree it is helpful

3. Is the relationship between the balance sheet entries and the entries in the capital account, the financial account, the other changes in the volume of assets account and the revaluation account sufficiently clear?

Comment:

Yes, we feel it is sufficiently clear

Part III. Other specific comments

13.11 – It would be useful to add why asset accounts for financial instruments might be required – presumably to assist in financial market analysis. Also, it could be pointed out in the discussion on asset accounts that they are simply rearrangements of information already articulated and as such do not require any additional compilation effort.

13.36 - Once the discussion on R&D is finalised it would be helpful to extend this paragraph. Also, where R&D is performed under contract then it should be valued at the contract price and not the sum of costs.

13.55 – See comment on 10.13.

Para 13.71 – It could be mentioned that the ‘second best’ option is likely to come from the balance sheets of the creditors themselves.

13.74 - 13.79 - The methods listed do not include one that was approved by BoPCom and is included in the international accounts (apportioning the global capitalisation) for listed, multi-national corporations and one that is included in the international accounts (making macro-level adjustments to book values). Further detail on all of the options is available from the draft of the international accounts (chapter 6) or from the draft of the benchmark definition of foreign direct investment (chapter 5 and annex 5).

Refer to BPM6 Ch 6 - approximating market value:

- recent transaction price
- apportioning global value
- present value
- net asset value
- own funds at book value
- values reported by enterprises with macro level adjustments.

13.89 – The sentence ‘The date when it is actually acquired is the exercise date.’ should read ‘The date when the underlying stock is actually acquired is the exercise date.’. Also, ‘exercise’ in the next sentence should be changed to ‘vesting’.

13.96 - Since the scope of the asset boundary is limited to purchased goodwill more precision in the explanation of the exclusion of goodwill from own funds would be appropriate.