

**Comments on draft SNA chapter:
Chapter 4: Institutional units and sectors**

**Deadline for comments: 1 September 2007
Send comments to: sna@un.org**

Your name:	Charles Aspden
Your country/organization:	OECD
Contact (e.g. email address):	charles.aspden@oecd.org
Submission date:	31 August 2007

This three-part template allows you to record your comments on draft chapter 4 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.

Especially when providing comments in Part III of the template, you are encouraged to focus on the new passages of the draft text. To facilitate this process, a file comparing the existing text and the draft text is available on the website under the following link: <http://unstats.un.org/unsd/sna1993/projectmanagement/drafts/Chapter4dv2cdv0.pdf>

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:

The chapter is well set out and logically presented. The text is clear and easy to read, with only a few exceptions.
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Part II: Comments on specific draft paragraphs or passages

In your review of draft chapter 4, you may wish to devote particular attention to the passage listed below. For ease of reference, we have identified the relevant paragraphs.

Please use the space provided to the right of the paragraph number to make your comment.

1. Section A, paragraphs 4.10 – 4.12:

The definition of ‘residence’ was slightly changed in the 1993 SNA Rev.1 by introducing ‘predominant’ before “economic interest.” Because residence is principally a BOP term, the text in paragraphs 4.10 – 4.12 has been taken from *BPM* 6. Do you consider the definition appropriately described? Is it clear to a national accountant?

4.10	This definition of residence does not cater for corporations, such as SAS, that are truly multi-national, and does not appear to be consistent with the 25 (c) of the FSCR.
4.11	Click here and start typing.
4.12	Click here and start typing.
4.16	The third and fourth sentences state categorically that government units do not produce products at economically significant prices. This statement is too strong. While it is generally the case, there are cases where they do charge economically significant prices, and examples are given later in the chapter.

2. Section A, paragraph 4.20:

A decision tree allocating units to institutional sectors and sub-sectors has been added as figure 4.1. It is first referred to in paragraph 4.21 to the 1993 SNA Rev.1. Do you think it is useful?

4.21	The tree is clear and useful.
4.31	The first sentence states that the System assigns NPIs to sectors according to the type of production. This is incorrect. They are assigned to the sector of the units that control them or NPISH.

3. Section B, paragraphs 4.52 – 4.54:

The expression ‘ancillary corporation’ in the 1993 SNA did not fit neatly with the discussion on ancillary activities discussed in draft chapter 5 of the 1993 SNA Rev.1. Therefore the term ‘artificial subsidiary’ has been introduced. Do you agree with this new terminology?

4.52	It is a good idea to introduce this term.
4.53	Click here and start typing.

4.54	Click here and start typing.
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4. Section B, paragraphs 4.64 – 4.72 and section C, paragraphs 4.82 – 4.83
Material from draft chapter 21 (public sector) of the 1993 SNA Rev.1 on control of corporations and of NPIs by government has been brought together. Do you consider this useful?

4.64	Yes
4.65	Click here and start typing.
4.66	Click here and start typing.
4.67	Click here and start typing.
4.68	Click here and start typing.
4.69	Click here and start typing.
4.70	Click here and start typing.
4.71	Click here and start typing.
4.72	Click here and start typing.
4.79	The new sentence at the beginning of this paragraph is contradictory.
4.82	Click here and start typing.
4.83	Click here and start typing.

5. Section D, paragraphs 4.89 – 4.90:
NPIs are distinguished as a sub-sector of the non-financial corporate sector in the 1993 SNA Rev. 1. Other units in the sector have been labeled 'For Profit Institutions' (FPIs). Do you agree with the new terminology introduced in paragraph 4.89? Do you agree with the full sub-sectoring introduced in paragraph 4.90 and shown in table 4.1?

4.89	Yes, to both questions
4.90	Click here and start typing.

6. Section E, paragraph 4.94:

The new sub-sectoring of the financial corporations sector, including again by NPIs and FPIs, has been introduced in paragraph 4.94. Do you agree with the new classification?

4.94	Yes
4.98	Building societies should be included.

7. Section F, paragraphs 4.118 – 4.119:

Do you consider the clarification of the role of social security funds in paragraphs 4.118 – 4.119 consistent with the GFSM? Paragraphs 4.118-4.119 set out the role of social security funds while trying to stay in line with text in the *GFSM* and draft chapter 21 of the 1993 SNA, Rev. 1. Is the text appropriate and clear?

4.118	The text is clear enough and does not appear to contradict the GFSM. However, the text defining social security schemes in paragraphs 14-18 of Annex 2 of the GFSM is quite different and has a different focus.
4.119	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 comment directly on the PDF of the draft chapter.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to sna@un.org requesting a version of the draft chapter that permits 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>