Questionnaire on accruals of earnings on equity in SNA
(superdividends, capital injections and reinvested earnings)

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Team 1 of the Working Group 2 of the TFHPSA

1. In the context of classifying transactions between public corporations and government, is the existing 1993 SNA adequate?
   □ Adequate  □ Not fully adequate  □ Not adequate enough

If not fully adequate or not adequate enough, please explain why

2. Have you observed actual cases in your country where this is a problem?

3. What do you think of the Eurostat Manual on Government Deficit and Debt (MGDD) guidance on capital injections and superdividends?

   3.1 Capital injections
      □ a) Not helpful
      □ b) A helpful interpretation of the existing SNA, and should be part of the updated SNA
      □ c) Better than nothing, but a more substantial reform is needed for the updated SNA

   3.2 Superdividends
      □ a) Not helpful
      □ b) A helpful interpretation of the existing SNA, and should be part of the updated SNA
      □ c) Better than nothing, but a more substantial reform is needed for the updated SNA

Other comments:

4. If 3{a} or 3{c}, what are the main weaknesses with the Eurostat MDD?

   □ □ □  a) asymmetry
   □ □ □  b) cherry picking
   □ □ □  c) deviation from the revenue/expense criteria for dividends and capital injections
   □ □ □  d) such events, though booked as government expense/revenue, are not demand expanding/contracting
   □ □ □  e) deviation from accrual recording (time of recording)
   □ □ □  f) having to record as a revaluation (rather than as a transaction) the fall in value of shares at time of dividend distribution

Other comments:
6. Do you agree with the accruals of earnings approach described in the paper?

☐ Yes/Broadly Yes  ☐ In some measure  ☐ No/Not really

Other comments:

7. Would accrual of earnings pave the way to convergence with IPSAS/GAAP?

☐ Yes  ☐ Perhaps/In some measure  ☐ No

7.1 Should convergence with IPSAS/GAAP be a main/important consideration in the SNA review?

☐ Yes  ☐ To some extend  ☐ No

Other comments:

8. Do you consider that accrual of earnings should be applied consistently across national accounts, or could be only extended to particular types of corporations

☐ Only consistently  ☐ Preferably, but not necessarily  ☐ Not important

Other comments:

9. If particular types, which ones?

Yes  ☐ Perhaps  ☐ No

☐ ☐ ☐ a) all 100% owned public corporations
☐ ☐ ☐ b) all public corporations (i.e., above 50%)
☐ ☐ ☐ c) all associates of government/public corporations (i.e., above 10 or 20%)
☐ ☐ ☐ d) all equity stakes of government/public corporations

☐ ☐ ☐ e) all 100% ownership (public / private)
☐ ☐ ☐ f) all subsidiaries (i.e., above 50%)
☐ ☐ ☐ g) all associates (i.e., above 10 or 20%)
☐ ☐ ☐ h) all equity stakes

Other comments:

10. Do you think accrual of earnings should be extended to mutual fund shares in SNA, as it is already the case in ESA 1995?

☐ Yes  ☐ Perhaps/In some measure  ☐ No

Other comments:
11. Technical issues

11.1 What should be the definition of earnings to accrue?

Yes ☐ Perhaps ☐ No ☐

☐ a) The current SNA definition
☐ b) The current SNA definition amended for bad loans
☐ c) Another definition

Other comments, and if c) please provide another definition:

11.2 What should be the treatment of losses?

Yes ☐ Perhaps ☐ No ☐

☐ a) negative revenue of the shareholder
☐ b) expense of the shareholder
☐ c) subsidy/expense for 100% own public corporations and negative revenue otherwise

Other comments:

11.3 Assuming accrual of earnings is retained: should the reinvested part be shown as a subcomponent of a new SNA equity property income position, or should the 1993 SNA presentation be retained? Or should solely the accrual of earnings be shown under SNA?

Strong preference ☐ Slight preference ☐ Does not agree ☐

☐ a) show the reinvested part as a subcomponent of a new “earnings/income on equity” position
☐ b) keep the 1993 SNA presentation of two separate entries
☐ c) show only the accrual of earnings

Other comments: