

CMFB Opinion on the MOBILE PHONE LICENCES: Treatment in national accounts

15/06/00

Eurostat consulted the CMFB on 9 June 2000 on the above-mentioned subject. The deadline for returning the questionnaire was Wednesday 14 June 2000 at 18.00 (CET). A draft of this CMFB opinion was consulted with the Executive Body on 14 June 2000 at 21.30 p.m. The deadline for the EB comments was Thursday 15 at 12.00 noon. The final opinion was submitted to Eurostat and the CMFB on 15 June 2000 at 17.00 p. m

Fourteen National Statistical Institutes (NSI) from the Member States returned the questionnaire. Nine National Central Banks also participated, as well as the ECB and the DG EFIN. A total of twenty-five institutions, from fourteen Member States and two EU institutions, participated in the consultation.

The result of the consultation was as follows:

1. Concerning the recording assets in the balance sheets

- Sixteen institutions voted for recording two non-financial assets in the balance sheet, the spectrum and the licence. Eight institutions voted for recording only one non-financial asset in the balance sheet (four considered that the only non-financial asset is the electromagnetic spectrum and four the licence to exploit it, one of them as an alternative option to two financial assets if the license is not transferable). Two institutions did not marked their preference on this point, in some cases including a justification.

- Sixteen institutions considered that the legal transferability or non-transferability of the licence was not a decisive criterion in recognising it as an economic asset and six institutions disagreed with. Three institutions did not marked their preference on this point, in some cases including a justification.

2. Concerning the recording of the transaction

- Sixteen institutions agreed with Option 3 (Recording guided by actual flows of payments) which implies that they consider the best solution to be to record non-financial flows (K.2 or D.45) at the time actual payments occur.

- Nine institutions voted for Option 2 (Rent of the spectrum) which implies that they consider that the economic transaction is a rent paid for the use of the spectrum, D.45, recorded in the allocation of primary income account. D.45 payments are to be spread throughout the lifetime of the contract.

- As an alternative solution to Option 2 one institution marked also Option 1A (Sale of the licence) which implies that it consider that the economic transaction is an acquisition less disposal of intangible assets, K.2, recorded in the capital account as payment once-for-all at the time the licence is granted.

3. In addition to this Opinion and a letter from the Chairman, it has been transmitted to Eurostat and will be kept in the records of the Secretariat of the CMFB, the following: a document piecing together the justification expressed by nineteen institutions on completing the questionnaire; a summary of the vote and the questionnaires submitted by the Member States.

RAFAEL ALVAREZ
CMFB Chairman
Madrid, 15 June 2000