

**CMFB opinion
on the treatment in national accounts of payments to government by public
corporations in the context of the transfer to Government of the unfunded pension
schemes that they operate for their employees**

On Eurostat's request the CMFB Chairman, with the assistance of the CMFB Executive Body, invited the CMFB Members on 6 October 2003 to give opinions on the above-mentioned subject. The deadline for returning the questionnaire was Wednesday 15 October 2003. Fifteen (15) national statistical institutes and fourteen (14) national central banks from the Member States returned the questionnaire. A total of twenty-nine (29) national institutions, from all fifteen (15) Member States, thus participated in the consultation. The ECB also provided a reply.

The result of the consultation was as follows:

Fourteen (14) national institutions responded that the counterpart transaction to a payment to government by a public corporation, in the context of the transfer of its unfunded pension obligations, should be treated according to the current ESA95 as a non-financial transaction. Eleven (11) of them consider that the non-financial transaction should be classified as other capital transfer (D99) and three (3) as other current transfer (D75). Eleven (11) national institutions answered to the same question that this payment should be treated as a financial transaction. Five (5) of them consider that it should be classified as shares and other equity (F5) and recorded as a decrease in assets of government and in liabilities of public corporations, four (4) as accounts receivable and payable (F7) and recorded as an increase in liabilities of government and in assets of households and two (2) as F7 recorded as an increase in liabilities of government and in assets of public corporations.

One national institution considered that it should be treated as other changes in volume, one national institution had no opinion and two national institutions made comments but did not complete the questionnaire.

Accordingly, a relative majority of CMFB Members consider that the counterpart transaction to a payment to government by a public corporation, in the context of the transfer of its unfunded pension obligations, should still be treated in national accounts, according to the current ESA95, as a non-financial transaction. The transfer has a positive impact on government surplus-deficit at the time the transaction takes place.

In addition to this opinion, the following has been transmitted to Eurostat and will be kept in the records of the CMFB secretariat: a document putting together the summary of the votes and all the original answers from the CMFB Members.

(Signed)
Jean CORDIER
CMFB Chairman

Paris, 20 October 2003