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STATISTICS DIRECTORATE  
DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS

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## SUMMARY RECORD OF THE WPFS MEETING

Held on 2 and 3 October 2007  
Tour Europe, Paris la Défense

*This document is the summary record of the first day meeting. The summary record of the second day, which is a common day with WPNA, will be available in the minutes of the WPNA under the cote STD/WPNA/M(2007)1.*

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## SUMMARY RECORD OF THE WPFS MEETING

2 OCTOBER 2007

After an introduction by P. O'Hagan (Statistics Canada), Chairperson of the Working Party on Financial Statistics (WPFS), who welcomes Delegates and makes some usual remarks, Michèle Chavoix-Mannato (OECD Secretariat), Secretary of the WPFS, gives some practical information regarding the organisation of the meeting for the following days and informs Delegates on the new election procedure and on the usefulness to both prepare the 2008 elections well in advance and to think about the nomination of a Vice-Chair as well as the extension of the number of members of the Bureau.

For the current meeting, the Bureau is re-conducted (Patrick O'Hagan, Statistics Canada, Susan Hume McIntosh, US Federal Reserve System and Beatriz Sanz, Bank of Spain), and Patrick O'Hagan is maintained as the Chairperson of the WPFS.

### 1. Adoption of the agenda [COM/STD/DAF/A(2007)1]

Delegates adopt the agenda of the present meeting [] and approve the record of the previous meeting [COM/STD/DAF/M(2006)2].

### 2. In-depth Evaluation of the CMF and its sub-bodies

Paul Schreyer, head of the NAFS division, explains the process of the In-depth evaluation of the CMF and its sub-bodies, which was undertaken in 2007, and presents the main recommendations and conclusions concerning the WPFS [COM/STD/DAF(2007)8] (see annex 1). In particular, he informs delegates that a report on the efforts by the group has to be transmitted to the Evaluation Sub-Group before end 2007.

He also advises Delegates on the procedure to elaborate the biennial programme of work 2009-2010, including priorities to be given to the various WPFS activities, which will have to be drafted in the coming months and to be transmitted to the CMF for endorsement at its April 2008 meeting. He invites the WPFS to seize this opportunity to take a more pro-active stance in the formulation of its medium-term priorities and to actively seek feed-back from the CMF.

In particular, the Secretariat will prepare suggestions for the work programme in the next biennium, submit them to Delegates of the WPFS and then seek discussion with the CMF at its April 2008 meeting.

With regards to the coordination between the OECD and the IMF's statistical work, the Secretariat reminds the WPFS of the fact that harmonization efforts have already started (see document prepared jointly by OECD and IMF, reference STD/NAES/FA(2005)4). Both organizations are committed to pursue this effort further in the months to come.

**Delegates take notes of the evaluation report and react to Council's recommendations by agreeing to the necessity of a deeper attention from the CMF to WPFS activities, by underlining the**

**need for better links with the International Monetary Fund (IMF) and by requesting some feedback from the CMF for more harmonisation with this International Organisation.**

### **3. OECD Financial Accounts database**

#### *Progress report and Developments*

A document is presented to the WPFS describing the situation regarding the collection and dissemination of OECD Financial Accounts and Financial Balance Sheets and reporting on improvements and development, mainly on the methodology, done during the year [COM/STD/DAF(2007)6].

Some recommendations for the transmission of data, in particular about the quality of the data provided, are given to delegates. They are invited to better check their data before transmission, to use the conventions decided in previous WPFS meetings, to send complete revised data as well as information on these revisions, and to provide as long series as possible.

Recommendations for the transmission of non financial assets, which are considered as very useful, are given to Delegates so that more data are provided with a better coverage regarding sectors and assets.

Delegates are also informed that all methodological information on sources and methods gathered by the Secretariat would be made available on OECD.Stat.

**The WPFS Delegates state that they support OECD's work and recommendations and will continue to improve these databases.**

#### *Consolidation of S13 and S12*

To comply with a decision taken by delegates at their meeting of October 2006, the Secretariat launched a survey on national practices regarding the consolidation of General Government sector (S13 and its components) and of the Financial Corporations sector (S12 and its components) during the summer.

A document is presented to the WPFS reminding some rules, explaining the content of the survey and of attached country tables and summarizing the results of the survey [COM/STD/DAF(2007)12]. As a large number of replies were received before the meeting, it has been possible to make a brief synthesis of the methods used in countries.

Delegates are requested to complete, when necessary, the information provided and, for those who do not provide any consolidated data, to make a special effort to compile consolidated accounts for S13 as a first priority.

**The WPFS delegates approve the Secretariat's work and countries which have not yet submitted any answer are invited to quickly reply.**

#### *Results of the survey on valuation of assets, in EU countries*

Eurostat gives a view of the situation regarding the valuation of assets in EU countries to complement the information already gathered from non European countries and presented at the 2006 WPFS meeting [COM/STD/DAF(2007)11].

Issues concerning the valuation on unquoted shares are raised by several countries.

**Delegates are invited to comment on these results and to inform the Secretariat on any follow-up they would like. They propose to add an item on the valuation of unquoted shares to the next Programme of Work of the WPFS. They are however reminded that two Groups, the OECD Workshop on Unquoted Shares and the Task Force on the Valuation and Measurement of Equity Positions (TFVME), already met and discussed these issues in 2004 and 2005, and that conclusions were reached at that time.**

#### *Project relating to historical data*

As a further development of the project regarding the production of consistent time series covering a reasonably long time horizon (back to 1980 in a first step, then 1950 if possible), Delegates are presented a document on the work carried out to build historical financial accounts for the United-Kingdom [COM/STD/DAF(2007)7]. They are reminded that the aim of this project is to study the changes in the allocation of wealth over time and to compare the main trends across different countries.

As an illustration of this aim, a report on the main trends of household wealth across countries [COM/STD/DAF(2007)1] is also presented to Delegates who thank for this interesting report, ask a number of questions regarding the methods and assess that the work on historical data is quite important for analyses.

**The WPFS confirm that they are in favour of continuing this work with other countries and invite interested countries to contact the Secretariat.**

## **4. Methodology and Development**

### *The securitization process*

Due to the impact of the process of asset securitisation on financial, credit and monetary analyses and due to the lack of systematic information with a certain degree of homogeneity across countries, it was decided at the October 2006 WPFS meeting to launch a survey to identify the securitisation processes being carried out in OECD countries. The survey essentially consisted on three parts: (i) existence, organisation and extent of securitisation processes; (ii) availability of data on securitisation for the purpose of inclusion in financial accounts; (iii) treatment of securitisation in national accounts.

The results of the survey on securitisation, launched last year to comply with a WPFS decision, [COM/STD/DAF(2007)9] as well as a paper on the position of the United Kingdom regarding the treatment of Special Purpose Entities (SPEs) as institutional units [COM/STD/DAF(2007)3] are presented to Delegates who are asked to reply to several questions regarding the securitisation process.

Both presentations are well received and raise a lot of comments. The need to have more information on the SPEs business is stressed, given the implication of some operations for different monetary and financial variables and their analysis. Therefore, to try to collect both quantitative and more qualitative information might be a possible way forward.

Delegates are asked to transmit any comments on the document before the end of the month and any further information on their country practices before February. The SNA editor considers that the unit classification chapter of the SNA Rev.1 is practically closed but she proposes to take another look at the current text on securitisation operations for the revision of the SNA.

**It is concluded that further developments are still needed and that Delegates would receive a questionnaire on SPEs, later in 2008, so that better qualitative and quantitative information is available on these specific entities.**

***Revaluation accounts and Other changes in volume accounts***

Revaluation accounts and other changes in volume accounts are key accounts for economic analysis and for the data quality of financial balance sheets. As these accounts do not yet exist in all OECD countries, two countries, France and Norway, were invited to present their practices with the aim of informing WPFS delegates on the work already carried out in their own countries.

The French Delegate explains in detail the current and the new methodologies for quoted shares and the special case of unquoted shares [COM/STD/DAF(2007)5]. The Norwegian Delegate gives information on the sources regarding revaluations and of other changes in volume accounts and on the methods used in his country [COM/STD/DAF(2007)2].

Delegates ask for some complements of information, on both methodological and technical aspects.

***Financial derivatives***

As better information on the compilation of financial derivatives and on the difficulties to measure them are needed, three countries, France, Italy and Australia, which used to provide data on these financial instruments, were invited to present the methods used in their countries with the aim of informing WPFS delegates. [Item 4\_Banque de France.ppt, COM/STD/DAF(2007)4 and COM/STD/DAF(2007)10].

They give some information on the data collection, on evaluation schemes, on their country practices and limits and on future developments.

There is no discussion.

**5. Other OECD financial databases*****Financial and non-financial assets of Institutional Investors***

A progress report is presented to the WPFS regarding countries' replies to the questionnaire on institutional investors' assets [Item 5\_OECD.ppt]. The OECD thanks all countries which have replied to this questionnaire. At the same time, countries are requested to provide some data which are still missing and to reduce inconsistencies in tables.

The OECD proposes to improve the comparability of data collected in Table 7.IA by calculating indicators in US dollars and % of GDP.

**Delegates continue to support this collection of data.**

***Financial and non-financial assets of Households***

A progress report is presented to the WPFS regarding countries' replies to the questionnaire on households' assets [Item 6\_OECD.ppt]. The OECD thanks Delegates for the progress already made. It however invites countries to provide more detailed information on the split of some assets.

The Secretariat proposes to improve the usefulness of these very interesting data by calculating indicators on the households' wealth.

**Delegates continue to support this collection of data.**

### ***Bank Profitability***

The WPFS is informed about the development regarding the recent collection of banking statistics by way of a new electronic questionnaire, and about the difficulties and delays to get all statistical and methodological pieces of information requested [Item 7\_OECD.ppt].

The Secretariat reminds the group of the creation of an EDG to improve the item coverage of Table 1 (income statements and balance sheets) with the aim to better meet IMF needs for the calculation of FSI and to take into account the new accounting rules (IAS/IFRS). The Group is informed that the EDG is at a standstill. Generally, expertise from Central banks or from Statistical Institutes in the area of bank statistics would be much welcome. This could take the form of the secondment, to the Secretariat, of a national expert who would lead the EDG and help to advance the current collection of banking statistics.

**The EDG is invited to start its work so that proposals are given at the next WPFS meeting.**

## **6. Co-operation with International Organisations**

### ***Financial databases – OECD and IMF***

The Canadian Delegate presents a document comparing the various databases managed by two International organizations: the OECD and the IMF [COM/STD/DAF(2007)13]. In the process, this could provide for much more coherent and analytical useful international financial databases. Delegates are asked to suggest initiatives which would improve the harmonization of these data collections and reduce the workload in countries. It is suggested that the EDG, created in the framework of Bank Profitability data, might be a very useful endeavour in this regard.

The IMF reminds Delegates of the joint document prepared in 2005 by the IMF and the OECD which prove the efforts already made by both organisations to co-operate and which might be a good start for a better harmonisation between databases.

**Both Secretariats confirm their willingness to further pursue efforts of streamlining their data work.**

As a **conclusion of the meeting** and regarding the topics to be discussed at the next WPFS meeting, it is decided that the Secretariat will circulate a list of possible items to be included in the agenda of the October 2008 meeting.

In response, delegates will be invited to comment this list, suggest possible topics to be discussed at the next meeting, and send their proposals to the OECD Secretariat, keeping in mind that some of the topics of the October 2007 meeting will have to be pursued over the year and that recommendations of the *In-Depth Evaluation Group* have to be followed. In particular, special attention will have to be given to the co-operation with other international organisations (IO), of which the IMF.

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All documents are available on OLISNet and all PowerPoint presentations are on the WPFS website at the following URL: ([http://www.oecd.org/document/49/0,3343,en\\_2649\\_34245\\_38707121\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/49/0,3343,en_2649_34245_38707121_1_1_1_1,00.html)).