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and Eighteenth Meeting of the Advisory Expert  
Group on National Accounts

Inter-secretariat  
Working Group on  
National Accounts

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SNA/M1.22/10.1  
For discussion

## G.9 Payments for Nonproduced Knowledge-based Capital (Marketing Assets): Outcome of Global Consultation

Prepared by the Globalization Task Team (GZTT)

INTERNATIONAL MONETARY FUND



## **G.9 Payments for Nonproduced Knowledge-based Capital (Marketing Assets): Outcome of Global Consultation<sup>1, 2</sup>**

*The global consultation<sup>3</sup> showed that a large majority agreed that marketing assets meet the definition of produced non-financial assets, favoring a change in the current conceptual guidance. However, on a practical side, they cited difficulties encountered in adequately measuring the current production of marketing assets. There was also a large support for creating a new subcategory of produced assets within intellectual property products for marketing assets and treating sublicensing marketing assets as an asset if the type of license to reproduce satisfies the asset requirements. However, should the status quo be maintained, a slight majority indicated that rights to use marketing assets should be split between services and income (BPM6 flexible option if information is available). Annexes I and II present detailed consultation results. This GN was presented for initial feedback at the October 2021 IMF's Committee on Balance of Payments Statistics (the Committee) and November 2021 Advisory Expert Group on National Accounts (AEG) meetings, respectively.*

*In view of the practical difficulties associated with implementing this proposal that were highlighted by the majority of countries to treat marketing assets as produced non-financial assets, this GN is proposed to the AEG and the Committee for decision at a later stage, pending outcomes of proposed targeted testing, which will be completed by the end of 2022.*

### **CONCEPTUAL ISSUES**

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1. There was a large majority agreement (73 percent) that, on a conceptual basis, marketing assets meet the System of National Accounts (SNA) and Balance of Payments Manual (BPM) definitions of produced assets. Twenty-two percent were neutral and only two responses believe that marketing assets are not produced assets.<sup>4</sup> A similar majority (73 percent of responses) concurred with creating a new subcategory of produced assets within intellectual property products for marketing assets. However, 12 percent did not support creating a new subcategory citing, amongst other reasons, that many practical issues remain, and this may be premature. Furthermore, there was majority agreement that sublicensing

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<sup>1</sup> Prepared by Ms. Jennifer Ribarsky (IMF–GZTT Secretariat) and reviewed by the GZTT co-chairs Mr. Michael Conolly (CSO, Ireland) and Mr. Branko Vitas (ABS, Australia).

<sup>2</sup> The global consultation, targeting balance of payments and national accounts (NAs) compilers and posted simultaneously on the UNSD and the IMF *BPM6* Update web pages, was closed on February 14, 2022. Fifty-two responses from 47 economies were received. Five economies did not provide a coordinated response choosing to submit two distinct responses, one for balance of payments and one for national accounts. By statistical domain, 18 coordinated responses, 24 from NA compilers and 10 from balance of payments compilers, were received.

<sup>3</sup> By geographical distribution, Europe was highly represented (25 economies), followed by Asia Pacific (12 economies), Western Hemisphere (eight economies), Middle East and Central Asia (six economies), and Sub-Saharan Africa (one economy). Three-fourths of responses indicated that this topic was of high or medium relevance for their economies.

<sup>4</sup> The respondents not in agreement cited reasons such as the value of marketing assets are also a function of the general performance and image of an enterprise and that they are not used in production of goods and services and therefore, do not have the properties of investments.

marketing assets should be considered as a type of license to reproduce and treated as an asset if it satisfies asset requirements.

2. **If the status quo is maintained in the next update, a slight majority (52 percent) stated that transactions related to the rights to use marketing assets should be split between services and income (BPM6 flexible option if information is available).** Forty percent stated that transactions should be recorded in services (the default solution in *BPM6*, if a split is not possible). Remaining 8 percent, preferred recording the transactions in income. Furthermore, 78 percent of responses agreed that the definition of property income be expanded to include a subcategory for payment for nonproduced nonfinancial assets other than natural resources, most of which (65 percent) indicating a preference to call this category “*rent on other nonproduced nonfinancial assets*”.

## PRACTICAL ISSUES

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3. **The majority of responses (67 percent) indicated that, based on current experience, they could not adequately measure the current production of marketing assets and include them in measures of gross fixed capital formation.** However, 33 percent indicated that they could, if there are guidelines on capitalizing input costs such that surveys could be designed/modified to collect this information while other responses focused on collecting information of outright acquisition/disposal of assets (i.e., previously produced) through enterprise surveys. Those respondents, who expressed difficulties, cited lack of data as a major challenge given that they do not currently collect these types of expenditures, and that it is not aligned to the treatment in business accounting standards. The difficulty in estimating the value, depreciation patterns, and life lengths to derive the appropriate capital stock were mentioned. Four countries have undertaken research.

4. **A strong majority (90 percent) noted that their current practice is to record international transactions in the right to use marketing assets in services.** Three respondents (8 percent) record international transactions in rights to use marketing assets in income, and a little more than one-third of respondents noted that international transactions in the rights to use marketing assets or the outright sale/purchase are material in their jurisdiction. Whereas the remaining respondents noted that international transactions in marketing assets are not material. Thirty-six percent of 39 responses noted that intra-MNE flows of marketing assets are material.

## Annex I. Summary Results of the Global Consultation

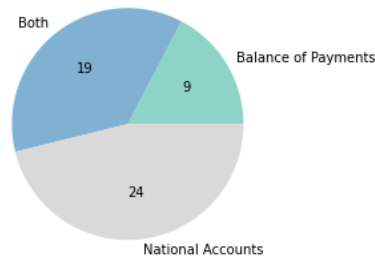
1. Number of responses submitted.

	AFR	APD	EUR	MCD	WHD	Total
<b>Balance of Payments (BP)</b>	0	4	2	2	1	9
<b>National Accounts (NA)</b>	0	5	10	4	5	24
<b>Coordinated</b>	1	3	13	0	2	19
<b>Total</b>	1	12	25	6	8	52

## Annex II. Detailed Results of the Global Consultation [Not to be published]

A total of 52 respondents participated to this consultation. Completely anonymous contributions are excluded.

### 1. YOUR RESPONSE CONCERNS WHICH AREA OF MACROECONOMIC STATISTICS?



**Australia (Australian Bureau of Statistics):** Both

**Austria (Statistics Austria):** National Accounts

**Austria (Oesterreichische Nationalbank):** Balance of Payments

**Azerbaijan (Central Bank of Azerbaijan Republic):** Balance of Payments

**Belgium (National Bank of Belgium):** Both

**Bolivia (Instituto Nacional de Estadística):** National Accounts

**Canada (Statistics Canada):** Both

**Colombia (National Administrative Department of Statistics – DANE):** National Accounts

**Colombia (Banco de la República):** Balance of Payments

**Costa Rica (Banco Central de Costa Rica):** Both

**Denmark (Statistics Denmark):** National Accounts

**Finland (Statistics Finland):** Both

**France (Insee):** National Accounts

**Georgia (National Statistics Office of Georgia):** National Accounts

**Germany (Federal Statistical Office):** National Accounts

**Hungary (Hungarian Central Statistical Office):** Both

**Indonesia (BPS - Statistics Indonesia):** National Accounts

**Ireland (CSO):** Both

**Israel (Israel Central Bureau of Statistics):** Both

**ITALY (Italian National Institute of statistics (Istat)):** Both

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** National Accounts

**Japan (Bank of Japan):** Balance of Payments

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** National Accounts

**Latvia (Central Statistical Bureau of Latvia):** Both

**Lithuania (Statistics Lithuania, National Accounts Division):** National Accounts

**Luxembourg (STATEC):** Both

**Macao SAR (Monetary Authority of Macao):** Balance of Payments

**México (INEGI):** National Accounts

**Mongolia (National Statistics Office):** National Accounts

**Morocco (Morocco):** Balance of Payments

**Myanmar (Central Bank of Myanmar):** Balance of Payments

**Myanmar (Planning Department):** National Accounts

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Both

**New Zealand (Stats NZ):** Both

**Norway (Statistics Norway):** Both

**Perú (Instituto Nacional de Estadística e Informática - INEI):** National Accounts

**Polska (Statistics Poland):** National Accounts

**Qatar (Planning and Statistics Authority):** National Accounts

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** National Accounts

**Romania (National Institute of Statistics/ National Bank of Romania):** Both

**Saudi Arabia (General Authority for Statistics):** National Accounts

**Singapore (Department of Statistics):** Both

**South Africa (SARB):** Both

**Suriname (General Bureau of Statistics):** National Accounts

**Sverige (Statistics Sweden):** Both

**Switzerland (Swiss National Bank):** Balance of Payments

**Switzerland (Federal Statistical Office):** National Accounts

**Thailand (Bank of Thailand):** Balance of Payments

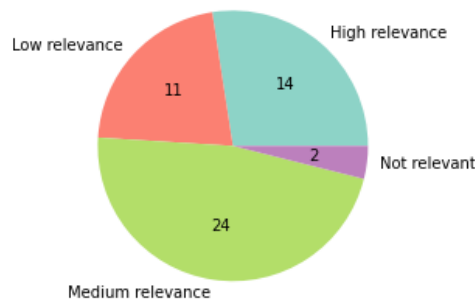
**The People's Republic of China (National Bureau of Statistics):** National Accounts

**Turkey (TurkStat (original provided in pdf)):** National Accounts

**Ukraine (State Statistics Service of Ukraine):** National Accounts

**United Kingdom (Office for National Statistics):** Both

2A. IS THIS TOPIC OF RELEVANCE FOR YOUR COUNTRY? 2B. PLEASE PROVIDE ARGUMENTS IN FAVOR OF YOUR RESPONSE:



**Australia (Australian Bureau of Statistics):** Medium relevance

The production of marketing assets exits within the Australian economy, however the complications of recording them as either produced or non-produced assets is not a high priority.

**Austria (Statistics Austria):** Low relevance

In Austria, only very few enterprises are involved in a global production arrangement involving marketing assets.

**Austria (Oesterreichische Nationalbank):** Low relevance

**Azerbaijan (Central Bank of Azerbaijan Republic):** Low relevance

**Belgium (National Bank of Belgium):** Low relevance

Category NP3 "Purchases less sales of goodwill and marketing assets" is negligible and is set to zero due to lack of data.

**Bolivia (Instituto Nacional de Estadística):** High relevance

**Canada (Statistics Canada):** Not relevant

There are significant concerns regarding not just the difficulty with measuring the value, but also determining what is a marketing asset.



**Colombia (National Administrative Department of Statistics – DANE):** High relevance

The country's marketing funds have increased

**Colombia (Banco de la República):** Medium relevance

En los últimas décadas en Colombia se ha desarrollado la producción y el comercio de los activos de marketing constituyéndose en una fuente de ingreso y valor para las empresas

**Costa Rica (Banco Central de Costa Rica):** High relevance

Because payments in the country for Nonproduced Knowledge-Based Capital (Marketing Assets) are frequent.

**Denmark (Statistics Denmark):** High relevance

If marketing assets are capitalised, it will potentially have a significant impact.

**Finland (Statistics Finland):** Low relevance

**France (Insee):** Medium relevance

**Georgia (National Statistics Office of Georgia):** Low relevance

**Germany (Federal Statistical Office):** Medium relevance

Brand value (marketing assets) may account for a significant share of companies' assets, however they are difficult to quantify. Also, some conceptual questions are unclear.

**Hungary (Hungarian Central Statistical Office):** Medium relevance

**Indonesia (BPS - Statistics Indonesia):** Medium relevance

In the current era of information, marketing assets play a significant role in the economy. Apart from the competition to produce in a more efficient manner, producers also put considerable efforts to wrap up their products in the best brand and other marketing assets to make them stand out.

**Ireland (CSO):** High relevance

We have recorded very large value for the purchase of nprf assets in the capital account of the balance of payments

**Israel (Israel Central Bureau of Statistics):** Medium relevance

**ITALY (Italian National Institute of statistics (Istat):**

We do not have evidence to evaluate the relevance of this topic in Italy. In a globalized economy, issues related to the registration of marketing assets may be relevant especially in countries that offer favorable administrative and/or tax conditions; otherwise, transactions related to marketing assets affect the cross-border flows of most developed countries.

Considering cross-border transactions (questions 12-14), currently Bank of Italy collects in an aggregate way the charges for the use of intellectual property (EBOPS standard component "SH"), without further breakdown. In the same way, in the ITSS survey, a single item is used for collecting trade of intellectual property (including marketing assets) to be reported in the capital account.

Therefore an estimation of the rights or the outright sales/purchases of the marketing assets is not available.

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** Medium relevance

There are a certain number of companies that are known worldwide in Japan.

**Japan (Bank of Japan):** Medium relevance

If marketing assets are reclassified as produced non-financial assets, outright acquisition/sale of a marketing asset is to be recorded under "goods and service" instead of "capital account." While the impact of the discontinuity is deemed insignificant, the change will impose initial burden on reporters and compilers.

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** Medium relevance

Переход к максимально полному охвату основных средств в национальных счетах согласно положениям СНС 2008. (The transition towards full coverage of fixed assets in the national accounts under the provisions of the 2008 SNA)

**Latvia (Central Statistical Bureau of Latvia):** Low relevance

Currently there is lack of resource to further investigate this issue.

**Lithuania (Statistics Lithuania, National Accounts Division):** Medium relevance

High value transactions of marketing assets are not frequent in our country

**Luxembourg (STATEC):** Medium relevance

**Macao SAR (Monetary Authority of Macao):** Medium relevance

There is amount of charges paid for the use of intellectual property such as patents, distribution, trademarks, etc.

**México (INEGI):** High relevance

To Mexico this topic is highly important, at the moment the treatment that we implement to the transactions related to the marketing assets considers the SNA 2008 as a guide, at the moment we do not count with a procedure that sticks to the criteria adopted by the balance of payments statistics.

**Mongolia (National Statistics Office):** High relevance

I am responsible for the GDP expenditure side and capital account.

**Morocco (Morocco):** Medium relevance

In Morocco, there are several brands and transactions take place and concern the subsidiaries of multinationals

**Myanmar (Central Bank of Myanmar):** Low relevance

**Myanmar (Planning Department):** Medium relevance

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** High relevance

We have several SPE's with large amounts of marketing assets in the Netherlands.

**New Zealand (Stats NZ):** Low relevance

Asset values reported as goodwill by New Zealand Residents are confined to what is recognised through accounting standards. The goodwill values may include marketing assets to some degree, however

information to measure marketing assets separately is not available. Within cross border income flows, there are no significant values that should be classified as a return on marketing assets.

**Norway (Statistics Norway):** Medium relevance

**Perú (Instituto Nacional de Estadística e Informática - INEI):** High relevance

Los activos de comercialización tales como marcas comerciales registradas, nombres comerciales, logotipos, etc; inciden principalmente en el volumen tranzado de la producción de servicios y de la generación de ingresos; así como, en la aplicación de nuevos modelos de negocios asociados a los servicios.

**Polska (Statistics Poland):** Low relevance

Low impact o macroeconomic aggregates.

**Qatar (Planning and Statistics Authority):** Medium relevance

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** Low relevance

**Romania (National Institute of Statistics/ National Bank of Romania):** Medium relevance

NBR: The value of these transactions are not very large in our economy.

**Saudi Arabia (General Authority for Statistics):** High relevance

For economic analysis and plan fiction.

**Singapore (Department of Statistics):** Medium relevance

As Singapore strengthens its status as a global IP hub, our international transactions may include significant marketing assets.

**South Africa (SARB):** Medium relevance

We have MNE's operating in South Africa with marketing assets.

**Suriname (General Bureau of Statistics):** Medium relevance

**Sverige (Statistics Sweden):** Medium relevance

Some Swedish MNE operate world wide in consumer product markets.

**Switzerland (Swiss National Bank):** High relevance

MNEs having their (regional) headquarters in Switzerland and the pharmaceutical sector are highly important for the Swiss Economy. These two factors make IP assets in general of high relevance for the Swiss BOP. As transaction prices of IP sometimes are very high, they dominate the Swiss BOP in certain periods.

Regarding IP transactions in BOP we often face problems dealing with the separation of produced and non-produced IP assets as these categories are not in the focus of the companies. For example, IP traded in the pharma sector often is a result from R&D (produced asset) but also a marketing asset (non-produced asset).

**Switzerland (Federal Statistical Office):** High relevance

MNEs play an important economic role for Switzerland. Marketing assets form a key part of global value chains of these MNEs and as such are of high relevance for Switzerland.

**Thailand (Bank of Thailand):** Medium relevance

Transaction value and volume concerning marketing assets is not so significant as compared to other BOP components.

**The People's Republic of China (National Bureau of Statistics):** High relevance

Marketing assets should continue being treated as nonproduced assets.

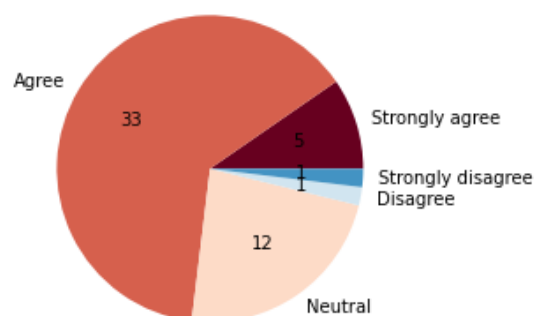
**Turkey (TurkStat (original provided in pdf)):** Not relevant

**Ukraine (State Statistics Service of Ukraine):** Medium relevance

**United Kingdom (Office for National Statistics):** High relevance

3A. DO YOU AGREE THAT, ON A CONCEPTUAL BASIS, MARKETING ASSETS (TRADEMARKS, BRAND NAMES, LOGOS) MEET THE SNA AND BPM DEFINITIONS OF PRODUCED ASSETS [1]? 3B. IF YOU STRONGLY DISAGREE OR DISAGREE, PLEASE SPECIFY WHY:

[1] PRODUCED ASSETS ARE NON-FINANCIAL ASSETS THAT HAVE COME INTO EXISTENCE AS OUTPUTS FROM PRODUCTION PROCESSES THAT FALL WITHIN THE PRODUCTION BOUNDARY OF THE SNA (2008SNA PARAGRAPH 10.9).



**Australia (Australian Bureau of Statistics):** Agree

**Austria (Statistics Austria):** Disagree

It seems to be difficult to establish a direct relation between the specific economic activity and the value of the marketing asset. The value of the marketing asset is also a function of the general performance and image of the enterprise. You cannot create marketing value purely based on marketing activities. (See also Guidance Note, paragraph 6.)

**Austria (Oesterreichische Nationalbank):** Neutral

**Azerbaijan (Central Bank of Azerbaijan Republic):** Agree

**Belgium (National Bank of Belgium):** Agree

**Bolivia (Instituto Nacional de Estadística):** Agree

**Canada (Statistics Canada):** Neutral

**Colombia (National Administrative Department of Statistics – DANE):** Strongly agree

**Colombia (Banco de la República):** Agree

**Costa Rica (Banco Central de Costa Rica):** Strongly agree

**Denmark (Statistics Denmark):** Agree

**Finland (Statistics Finland):** Agree

**France (Insee):** Agree

**Georgia (National Statistics Office of Georgia):** Agree

**Germany (Federal Statistical Office):** Neutral

**Hungary (Hungarian Central Statistical Office):** Agree

**Indonesia (BPS - Statistics Indonesia):** Strongly agree

**Ireland (CSO):** Neutral

**Israel (Israel Central Bureau of Statistics):** Agree

**ITALY (Italian National Institute of statistics (Istat)):** Agree

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** Neutral

**Japan (Bank of Japan):** Neutral

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** Agree

**Latvia (Central Statistical Bureau of Latvia):** Neutral

**Lithuania (Statistics Lithuania, National Accounts Division):** Agree

**Luxembourg (STATEC):** Agree

**Macao SAR (Monetary Authority of Macao):** Neutral

**México (INEGI):** Strongly agree

**Mongolia (National Statistics Office):** Agree

**Morocco (Morocco):** Agree

**Myanmar (Central Bank of Myanmar):** Agree

**Myanmar (Planning Department):** Agree

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Agree

**New Zealand (Stats NZ):** Agree

**Norway (Statistics Norway):** Agree

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Agree

**Polska (Statistics Poland):** Agree

**Qatar (Planning and Statistics Authority):** Agree

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** Agree

**Romania (National Institute of Statistics/ National Bank of Romania):** Agree

**Saudi Arabia (General Authority for Statistics):** Neutral

**Singapore (Department of Statistics):** Agree

**South Africa (SARB):** Agree

**Suriname (General Bureau of Statistics):** Agree

**Sverige (Statistics Sweden):** Strongly disagree

Marketing assets like trademarks and brand names are created as a mean to distinguish the product from other similar products produced by competitors. Marketing assets, brand names and logos are not used in production of goods and services. Putting a brand name on a product does not change the functions or design of the product. Therefore, they do not have the properties of investments.

It is not possible to separate the brand from the products produced under the brand name. Marketing assets are created in the same process as the products and are inseparable from the products. It is not possible to identify a separate production process for marketing assets.

So far, we have not observed any payment for the purchase of a widely recognised brand name.

Franchising fees are payments for the use of a store concept that might include some products under a specific brand.

**Switzerland (Swiss National Bank):** Agree

**Switzerland (Federal Statistical Office):** Agree

**Thailand (Bank of Thailand):** Agree

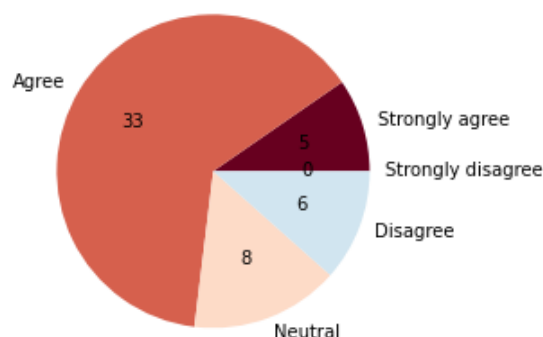
**The People's Republic of China (National Bureau of Statistics):** Neutral

**Turkey (TurkStat (original provided in pdf)):** Neutral

**Ukraine (State Statistics Service of ukraine):** Neutral

**United Kingdom (Office for National Statistics):** Strongly agree

4A. IF MARKETING ASSETS ARE PRODUCED (I.E., OPTION 1) AS THE PREFERRED RECOMMENDATION IN AN UPDATED SNA AND BPM, DO YOU AGREE WITH CREATING A NEW SUBCATEGORY OF PRODUCED ASSETS WITHIN INTELLECTUAL PROPERTY PRODUCTS FOR MARKETING ASSETS? 4B. IF YOU STRONGLY DISAGREE OR DISAGREE, PLEASE SPECIFY WHY:



**Australia (Australian Bureau of Statistics):** Disagree

The ABS acknowledges that conceptually marketing assets likely meet the definition of produced assets, however there remains complications as to how to record these assets should they change to produced assets. Therefore, the creating of a new subcategory of produced assets is not recommended at this stage.

**Austria (Statistics Austria):** Neutral

**Austria (Oesterreichische Nationalbank):** Agree

**Azerbaijan (Central Bank of Azerbaijan Republic):** Agree

**Belgium (National Bank of Belgium):** Agree

**Bolivia (Instituto Nacional de Estadística):** Disagree

Se tendría que ver si se tiene la información desagregada

**Canada (Statistics Canada):** Neutral

**Colombia (National Administrative Department of Statistics – DANE):** Agree

**Colombia (Banco de la República):** Agree

**Costa Rica (Banco Central de Costa Rica):** Strongly agree

**Denmark (Statistics Denmark):** Agree

**Finland (Statistics Finland):** Agree

**France (Insee):** Neutral

**Georgia (National Statistics Office of Georgia):** Agree

**Germany (Federal Statistical Office):** Disagree

Even though it could be conceptually appropriate to classify marketing assets within IPPs, the recording of marketing assets as produced assets is not practically feasible due to lack of data and valuation difficulties.

Should such a subcategory be created, the provision of results must be voluntary and dependent on available data sources.

**Hungary (Hungarian Central Statistical Office):** Neutral

**Indonesia (BPS - Statistics Indonesia):** Agree

**Ireland (CSO):** Agree

**Israel (Israel Central Bureau of Statistics):** Agree

**ITALY (Italian National Institute of statistics (Istat)):** Agree

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** Disagree

Even if the new standard treats marketing assets as produced assets, we wonder if it is possible to define them as a category like "valuables" rather than fixed assets.

In other words, we suppose the following treatment could be considered:

-the initial value of production is used as consumption, not as gross fixed capital formation.

-The asset value as marketing assets such as brand names would be recognized as a result of long-term economic activity, and the receipt and payment of royalty service is generated for its use.

-The changes in the value of assets are recorded as "other changes in the amount of assets," rather than consumption of fixed capital, and the purchase and sale of the assets are recorded in the capital account as "acquisition minus disposal of marketing assets," rather than gross fixed capital formation.

**Japan (Bank of Japan):** Disagree

If marketing assets are reclassified as produced non-financial assets, payments for the use should be recorded under "charges for the use of intellectual property n.i.e." whereas outright acquisition/sale should be recorded as "other business services" in BOP.

As for the payments for the use, frequency and volume of observed transactions is not significant in Japan, and the share of that in "charges for the use of intellectual property n.i.e." is not large. There seems no need for a subcategory.

Regarding outright acquisition/sale, the GN first need to consider under which category in service the transaction should be recorded ("Research and development services"? or "Technical, trade-related, and other business services"?). Yet in any case, as frequency and volume of observed transactions is not significant in Japan, there seems no need for a subcategory.

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** Neutral

**Latvia (Central Statistical Bureau of Latvia):** Agree



**Lithuania (Statistics Lithuania, National Accounts Division):** Disagree  
Creating new subcategory requires marketing assets to be evaluated, but it is difficult to measure this value in a reasonable way until they are separately acquired

**Luxembourg (STATEC):** Agree

**Macao SAR (Monetary Authority of Macao):** Neutral

**México (INEGI):** Strongly agree

**Mongolia (National Statistics Office):** Agree

**Morocco (Morocco):** Agree

**Myanmar (Central Bank of Myanmar):** Agree

**Myanmar (Planning Department):** Neutral

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Strongly agree

**New Zealand (Stats NZ):** Agree

**Norway (Statistics Norway):** Agree

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Agree

**Polska (Statistics Poland):** Agree

**Qatar (Planning and Statistics Authority):** Agree

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** Agree

**Romania (National Institute of Statistics/ National Bank of Romania):** Agree

**Saudi Arabia (General Authority for Statistics):** Agree

**Singapore (Department of Statistics):** Agree

**South Africa (SARB):** Agree

**Suriname (General Bureau of Statistics):** Agree

**Sverige (Statistics Sweden):** Strongly agree

**Switzerland (Swiss National Bank):** Agree

**Switzerland (Federal Statistical Office):** Agree

**Thailand (Bank of Thailand):** Agree

**The People's Republic of China (National Bureau of Statistics):** Agree

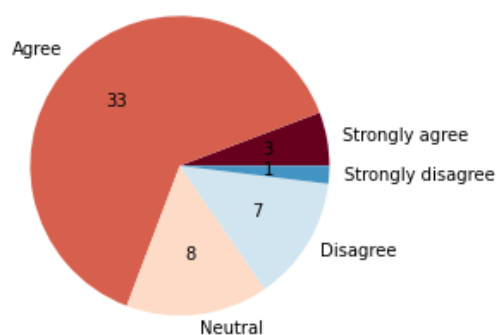
**Turkey (TurkStat (original provided in pdf)):** Agree

**Ukraine (State Statistics Service of ukraine):** Neutral

**United Kingdom (Office for National Statistics):** Strongly agree

5A. IF MARKETING ASSETS ARE PRODUCED (I.E., OPTION 1) AS THE PREFERRED RECOMMENDATION IN AN UPDATED SNA AND BPM, DO YOU AGREE WITH THE GN PROPOSED TREATMENT OF SUBLICENSING MARKETING ASSETS AS A TYPE OF LICENSE TO REPRODUCE, THUS FOR THOSE LICENSES THAT SATISFY THE ASSET REQUIREMENT [2], TREAT AS A SALE OF PART OR WHOLE OF THE ORIGINAL TO THE UNIT HOLDING THE LICENSE TO REPRODUCE?  
5B. IF YOU STRONGLY DISAGREE OR DISAGREE, PLEASE SPECIFY WHY:

[2] A LICENSE CAN BE CONSIDERED A FIXED ASSET IF WILL BE USED IN PRODUCTION FOR A PERIOD IN EXCESS OF ONE YEAR. THE 2008 SNA PARAGRAPH 10.100 PROVIDES FURTHER EXPLANATION.



**Australia (Australian Bureau of Statistics):** Agree

**Austria (Statistics Austria):** Neutral

**Austria (Oesterreichische Nationalbank):** Agree

**Azerbaijan (Central Bank of Azerbaijan Republic):** Agree

**Belgium (National Bank of Belgium):** Agree

**Bolivia (Instituto Nacional de Estadística):** Agree

**Canada (Statistics Canada):** Disagree

this poses significant measurement challenges. A respondent might hope to employ these assets for more than one year, but that may change if said marketing component proves less than fruitful, or vice versa.

**Colombia (National Administrative Department of Statistics – DANE):** Agree

**Colombia (Banco de la República):** Agree

**Costa Rica (Banco Central de Costa Rica):** Strongly agree

**Denmark (Statistics Denmark):** Disagree  
Generally we do not like splitting assets.

**Finland (Statistics Finland):** Neutral

**France (Insee):** Neutral

**Georgia (National Statistics Office of Georgia):** Agree

**Germany (Federal Statistical Office):** Disagree

If the marketing assets were classified under IPPs, then the treatment suggested in 10.100 would apply to them by definition. However, the data sources usually do not allow for such a recording in practice.

**Hungary (Hungarian Central Statistical Office):** Agree

**Indonesia (BPS - Statistics Indonesia):** Agree

**Ireland (CSO):** Agree

**Israel (Israel Central Bureau of Statistics):** Agree

**ITALY (Italian National Institute of statistics (Istat)):** Agree

**Japan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** Strongly disagree

As mentioned above in the answer to 4.A, 4.B, we disagree on the proposal that marketing assets should be classified as fixed assets or intellectual property products.

**Japan (Bank of Japan):** Disagree

Although we understand that sub-licensing of a marketing asset can be qualified as an asset, the business accounting standards do not recognize marketing assets as assets unless they are separately acquired and it is difficult to measure amount of marketing assets. In this background, it is unlikely that refining just the treatment of sub-licensing would improve the quality of statistics.

Also, we think it is unpractical to treat it as a sale of part or whole of the original. For example, in the case of payments for use a license including the option of sub-licensing, the transaction should be divided into payments for the license use (i.e. charges for the use of intellectual property n.i.e.) and the payments for the right for sub-licensing (other business services). However, the amount of the payment is not divisible.

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** Neutral

**Latvia (Central Statistical Bureau of Latvia):** Agree

**Lithuania (Statistics Lithuania, National Accounts Division):** Neutral

**Luxembourg (STATEC):** Disagree

SNA indicates as well :

.... and the licensee assumes all the risks and rewards of ownership. So the second part of SNA sentence should not be forgotten. Sublicensing can happen to an SPE holding company for which economic ownership should not be assumed.

2. Sublicensing may be granted to different users (for instance in different geographic markets). So ownership transfert may be partial. Estimating the remaining value of the asset for the seller may be difficult, especially if the value on the balance sheet will not follow market value.

**Macao SAR (Monetary Authority of Macao):** Agree

**México (INEGI):** Strongly agree

**Mongolia (National Statistics Office):** Neutral

**Morocco (Morocco):** Agree

**Myanmar (Central Bank of Myanmar):** Agree

**Myanmar (Planning Department):** Agree

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Agree

**New Zealand (Stats NZ):** Agree

**Norway (Statistics Norway):** Agree

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Agree

**Polska (Statistics Poland):** Agree

**Qatar (Planning and Statistics Authority):** Agree

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** Agree

**Romania (National Institute of Statistics/ National Bank of Romania):** Agree

**Saudi Arabia (General Authority for Statistics):** Agree

**Singapore (Department of Statistics):** Agree

**South Africa (SARB):** Agree

**Suriname (General Bureau of Statistics):** Neutral

**Sverige (Statistics Sweden):** Strongly agree

**Switzerland (Swiss National Bank):** Disagree

The definition should follow the definition in Financial Reporting Standards (IFRS) in order to get consistent data and produce transparent statistics.

**Switzerland (Federal Statistical Office):** Disagree

Conceptually, it seems ok but we have doubts about the implementation

**Thailand (Bank of Thailand):** Agree

**The People's Republic of China (National Bureau of Statistics):** Agree

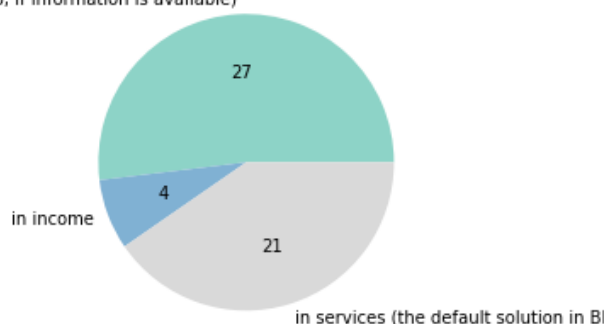
**Turkey (TurkStat (original provided in pdf)):** Agree

**Ukraine (State Statistics Service of Ukraine):** Neutral

**United Kingdom (Office for National Statistics):** Agree

6A. IF THE STATUS QUO IS MAINTAINED IN THE NEXT UPDATE OF THE SNA AND BPM (I.E., MARKETING ASSETS ARE TREATED AS NONPRODUCED, OPTION 2)—SHOULD TRANSACTIONS RELATED TO THE RIGHTS TO USE MARKETING ASSETS BE RECORDED: 6B. ADDITIONAL COMMENTS, IF ANY, TO ELABORATE YOUR CHOICE FOR QUESTION 6A:

option in BPM6, if information is available)



**Australia (Australian Bureau of Statistics):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Austria (Statistics Austria):** by splitting them between services and income (the flexible option in BPM6, if information is available)

BOP categories like franchise fees include both services and payments for trademarks and use of brand names. It would be important to split those categories in services related to franchise and income related to the payment for the use of brand names and trademarks.

**Austria (Oesterreichische Nationalbank):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Azerbaijan (Central Bank of Azerbaijan Republic):** in services (the default solution in BPM6, if a split is not possible)

**Belgium (National Bank of Belgium):** in services (the default solution in BPM6, if a split is not possible)  
In our opinion, from a conceptual point of view, marketing assets meet the definition of produced assets. Therefore, even if they were to be treated as non-produced assets for practical reasons, the transactions related to the rights to use them should be recorded as purchases of services, as is the case for the other produced assets. Moreover, this treatment solves the issue of splitting the transactions between services and income as well as the need to include a subcategory for payments for non-produced assets other than natural resources.

**Bolivia (Instituto Nacional de Estadística):** by splitting them between services and income (the flexible option in BPM6, if information is available)

Para esto es necesario disponer de la información desagregada

**Canada (Statistics Canada):** in services (the default solution in BPM6, if a split is not possible)

**Colombia (National Administrative Department of Statistics – DANE):** in services (the default solution in BPM6, if a split is not possible)

**Colombia (Banco de la República):** by splitting them between services and income (the flexible option in BPM6, if information is available)

NO

**Costa Rica (Banco Central de Costa Rica):** in services (the default solution in BPM6, if a split is not possible)

**Denmark (Statistics Denmark):** by splitting them between services and income (the flexible option in BPM6, if information is available)

If marketing assets are not considered produced, the theoretical solution would be to record as income. However, in practice it might be difficult to implement.

**Finland (Statistics Finland):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**France (Insee):** in services (the default solution in BPM6, if a split is not possible)

The treatment as a provision of services of a transaction related to the right to use a marketing asset echoes the 1993 SNA treatment of the so called "patented entities" whereas such patented entities were not considered as the output of R&D activities. As a whole, this treatment is not absolutely clean from a conceptual perspective, but it has certain merits.

**Georgia (National Statistics Office of Georgia):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Germany (Federal Statistical Office):** in services (the default solution in BPM6, if a split is not possible)

We would prefer showing the transactions related to these assets classified in services (although this option may bring inconsistencies between stocks and flows).

**Hungary (Hungarian Central Statistical Office):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Indonesia (BPS - Statistics Indonesia):** in services (the default solution in BPM6, if a split is not possible)

Nowadays, research and efforts to create good marketing assets have got significant priorities among corporations. Good products would lose their competitiveness if not coupled with a good brand.

**Ireland (CSO):** by splitting them between services and income (the flexible option in BPM6, if information is available)

The recording of rent in this instance is consistent with the treatment of natural resources. However recording a service might be more practical for the respondent .

**Israel (Israel Central Bureau of Statistics):** in services (the default solution in BPM6, if a split is not possible)

**ITALY (Italian National Institute of statistics (Istat)):** in services (the default solution in BPM6, if a split is not possible)

In our opinion, transactions related to the rights to use marketing assets should be recorded as output (services), regardless of their classification (produced or non produced). In Italian national accounts, franchise payments are recorded as service payments and not as property income. As it seems that the same approach is used in other countries as well, this pragmatic solution could enhance cross-country comparability of data.

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** in services (the default solution in BPM6, if a split is not possible)

Since only rent (property income) accrues from non-financial non-produced assets, we propose the treatment of "valuables" as a compromise plan in the above answer to 4.B.

**Japan (Bank of Japan):** in services (the default solution in BPM6, if a split is not possible)

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Latvia (Central Statistical Bureau of Latvia):** in income

**Lithuania (Statistics Lithuania, National Accounts Division):** by splitting them between services and income (the flexible option in BPM6, if information is available)

If split is not possible, then record in services

**Luxembourg (STATEC):** in income

6A is not very precise guidance. It may lead to very different interpretation and recordings amongst the concerned countries if international transactions are concerned.

**Macao SAR (Monetary Authority of Macao):** in services (the default solution in BPM6, if a split is not possible)

**México (INEGI):** in services (the default solution in BPM6, if a split is not possible)

None

**Mongolia (National Statistics Office):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Morocco (Morocco):** by splitting them between services and income (the flexible option in BPM6, if information is available)

If the information is available to know the share of services, it is plausible to distinguish them from income relating to intellectual property.

**Myanmar (Central Bank of Myanmar):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Myanmar (Planning Department):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** by splitting them between services and income (the flexible option in BPM6, if information is available)

If data are available a split should be made. Otherwise we would favor registering the payment in the item that is expected to be the largest of the two. This might differ between payments, with for some transactions services being the largest and for others the property income.

**New Zealand (Stats NZ):** by splitting them between services and income (the flexible option in BPM6, if information is available)

The flexible option improves consistency between the BPM and SNA, although the treatment of income flows and non-produced assets is inconsistent. However in practice very little information exists to identify marketing assets and make this split, leading to the BPM6 default option of recording transactions as service flows in both the current account and production account.

**Norway (Statistics Norway):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Perú (Instituto Nacional de Estadística e Informática - INEI):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Polska (Statistics Poland):** in services (the default solution in BPM6, if a split is not possible)

**Qatar (Planning and Statistics Authority):** in income

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Romania (National Institute of Statistics/ National Bank of Romania):** in services (the default solution in BPM6, if a split is not possible)

The splitting between services and income will led to an additional burden for the reporting agents, and maybe the quality of the reported data would be inappropriate.

**Saudi Arabia (General Authority for Statistics):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Singapore (Department of Statistics):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**South Africa (SARB):** in services (the default solution in BPM6, if a split is not possible)

From a practical point of view, splitting between services and income is in most cases not viable.

**Suriname (General Bureau of Statistics):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Sverige (Statistics Sweden):** in income

The payments for the use of intellectual property rights is possible due to the fact that these right are protected by law. If they are recorded as non-produced assets this would resemble the recording of land.



In case where there is not possible to separate the payment for the right to use from payments for services and goods related to the marketing asset the entire payment can be recorded in services or on the goods delivered. This can be the case in franchising.

**Switzerland (Swiss National Bank):** in services (the default solution in BPM6, if a split is not possible) See comment in 2. For IP that are results from R&D AND are marketing assets (e.g. IP for a pharmaceutical) transactions related to the use of the IP can hardly be a split in two categories for BOP.

**Switzerland (Federal Statistical Office):** by splitting them between services and income (the flexible option in BPM6, if information is available)

It seems to us that, in some cases, sufficient information is available to split the transactions between services and income. A splitting is thus required. If a splitting is not possible or not relevant, it is also important to have the possibility to fully record the transactions in income or services (e.g. to record in income for assets hold by SPEs where the services component is presumably absent). However, we acknowledge that this preferred option could raise bilateral asymmetries issues.

**Thailand (Bank of Thailand):** by splitting them between services and income (the flexible option in BPM6, if information is available)

It will be very useful for compilers if BPM7 CG provides practical guidelines/criteria for splitting the services & income portions.

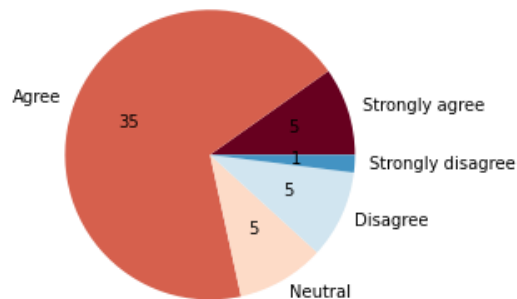
**The People's Republic of China (National Bureau of Statistics):** in services (the default solution in BPM6, if a split is not possible)

**Turkey (TurkStat (original provided in pdf)):** by splitting them between services and income (the flexible option in BPM6, if information is available)

**Ukraine (State Statistics Service of ukraine):** in services (the default solution in BPM6, if a split is not possible)

**United Kingdom (Office for National Statistics):** in services (the default solution in BPM6, if a split is not possible)

7A. IF THE STATUS QUO IS MAINTAINED IN THE NEXT UPDATE OF THE SNA AND BPM (I.E., MARKETING ASSETS ARE TREATED AS NONPRODUCED, OPTION 2)—SHOULD THE DEFINITION OF PROPERTY INCOME BE EXPANDED TO INCLUDE A SUBCATEGORY FOR PAYMENTS FOR NONPRODUCED, NON-FINANCIAL ASSETS OTHER THAN NATURAL RESOURCES? 7B. IF YOU STRONGLY DISAGREE OR DISAGREE, PLEASE SPECIFY WHY:



**Australia (Australian Bureau of Statistics):** Agree

**Austria (Statistics Austria):** Neutral

**Austria (Oesterreichische Nationalbank):** Disagree  
does not correspond with the flexible oprion under 6A

**Azerbaijan (Central Bank of Azerbaijan Republic):** Neutral

**Belgium (National Bank of Belgium):** Disagree

Since we prefer recording all the transactions as payments for services, it is not necessary to include a subcategory for non-produced assets other than natural resources.

**Bolivia (Instituto Nacional de Estadística):** Agree

**Canada (Statistics Canada):** Agree

**Colombia (National Administrative Department of Statistics – DANE):** Agree

**Colombia (Banco de la República):** Agree

**Costa Rica (Banco Central de Costa Rica):** Strongly agree

**Denmark (Statistics Denmark):** Agree

**Finland (Statistics Finland):** Agree

**France (Insee):** Agree

**Georgia (National Statistics Office of Georgia):** Agree

**Germany (Federal Statistical Office):** Strongly disagree

From a conceptual point of view, we don't see payments resulting from marketing assets to fit in the category of property income (although it is generally a natural category for flows generated by nonproduced and financial assets). A split between income of sale and property income is not possible.

**Hungary (Hungarian Central Statistical Office):** Agree

**Indonesia (BPS - Statistics Indonesia):** Agree

**Ireland (CSO):** Agree

**Israel (Israel Central Bureau of Statistics):** Neutral

**ITALY (Italian National Institute of statistics (Istat)):** Disagree

If the status quo is maintained in the next update of the SNA and BPM, in our opinion transactions related to the rights to use marketing assets should be recorded as services (see 6A-6B). However, if the final shared choice will be to record transactions as property income, we agree to expand the definition of property to include a subcategory for payments for nonproduced non-financial assets other than natural resources (for example “rent on other nonproduced non-financial assets”).

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** Agree

**Japan (Bank of Japan):** Agree

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** Agree

**Latvia (Central Statistical Bureau of Latvia):** Agree

**Lithuania (Statistics Lithuania, National Accounts Division):** Agree

**Luxembourg (STATEC):** Agree

**México (INEGI):** Strongly agree

**Mongolia (National Statistics Office):** Neutral

**Morocco (Morocco):** Agree

**Myanmar (Central Bank of Myanmar):** Agree

**Myanmar (Planning Department):** Agree

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Strongly agree

**New Zealand (Stats NZ):** Agree

**Norway (Statistics Norway):** Agree

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Agree

**Polska (Statistics Poland):** Agree

**Qatar (Planning and Statistics Authority):** Agree

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** Agree

**Romania (National Institute of Statistics/ National Bank of Romania):** Disagree

**Saudi Arabia (General Authority for Statistics):** Agree

**Singapore (Department of Statistics):** Agree

**South Africa (SARB):** Agree

**Suriname (General Bureau of Statistics):** Agree

**Sverige (Statistics Sweden):** Strongly agree

**Switzerland (Swiss National Bank):** Disagree

For IP that are results from R&D AND are marketing assets (e.g. IP for a pharmaceutical) transactions related to the use of the IP can hardly be a split in two categories for BOB.

As for the companies the separation in produced and non-produced IP is not relevant they usually have only one account for royalties.

**Switzerland (Federal Statistical Office):** Agree

**Thailand (Bank of Thailand):** Agree

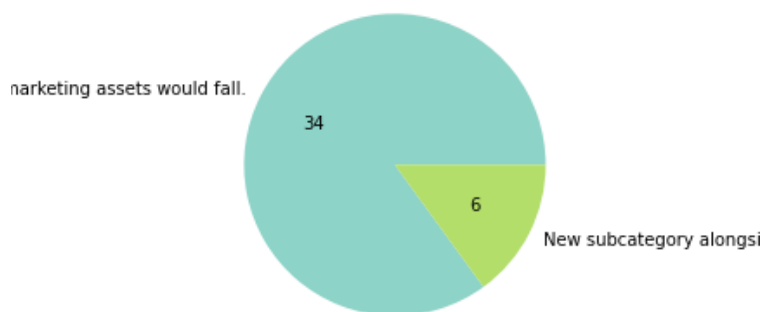
**The People's Republic of China (National Bureau of Statistics):** Agree

**Turkey (TurkStat (original provided in pdf)):** Agree

**Ukraine (State Statistics Service of ukraine):** Neutral

**United Kingdom (Office for National Statistics):** Strongly agree

8. IF NEUTRAL, AGREE OR STRONGLY AGREE IS SELECTED IN QUESTION 7A, WHICH OPTION DO YOU PREFER:



**Australia (Australian Bureau of Statistics):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Austria (Statistics Austria):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Azerbaijan (Central Bank of Azerbaijan Republic):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Canada (Statistics Canada):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Colombia (National Administrative Department of Statistics – DANE):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Colombia (Banco de la República):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Costa Rica (Banco Central de Costa Rica):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Denmark (Statistics Denmark):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Finland (Statistics Finland):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**France (Insee):** New subcategory alongside investment income and rent, which is called:

**Georgia (National Statistics Office of Georgia):** New subcategory alongside investment income and rent, which is called:

**Hungary (Hungarian Central Statistical Office):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Indonesia (BPS - Statistics Indonesia):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Israel (Israel Central Bureau of Statistics):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Japan (Bank of Japan):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Latvia (Central Statistical Bureau of Latvia):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Lithuania (Statistics Lithuania, National Accounts Division):** New subcategory alongside investment income and rent, which is called:: Other property income

**México (INEGI):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Mongolia (National Statistics Office):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Myanmar (Central Bank of Myanmar):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Myanmar (Planning Department):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**New Zealand (Stats NZ):** New subcategory alongside investment income and rent, which is called:: Other property income on non-produced non-financial assets

**Norway (Statistics Norway):** New subcategory alongside investment income and rent, which is called:: Income from use of marketing assets

**Perú (Instituto Nacional de Estadística e Informática - INEI):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Polska (Statistics Poland):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Qatar (Planning and Statistics Authority):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Saudi Arabia (General Authority for Statistics):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Singapore (Department of Statistics):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**South Africa (SARB):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Suriname (General Bureau of Statistics):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Sverige (Statistics Sweden):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Switzerland (Federal Statistical Office):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

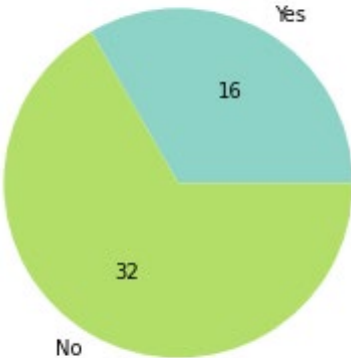
**Thailand (Bank of Thailand):** New subcategory alongside investment income and rent, which is called: Return on other non-produced non-financial assets

**Turkey (TurkStat (original provided in pdf)):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**Ukraine (State Statistics Service of ukraine):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

**United Kingdom (Office for National Statistics):** New subcategories for rent; rent on natural resources and rent on other non-produced non-financial assets under which marketing assets would fall.

9A. BASED ON YOUR CURRENT EXPERIENCE, DO YOU THINK THAT YOUR STATISTICAL OFFICE/CENTRAL BANK COULD TREAT MARKETING ASSETS AS PRODUCED (I.E., IMPLEMENT OPTION 1) AND ADEQUATELY MEASURE THE CURRENT PRODUCTION AND INCLUDE IN MEASURES OF GROSS FIXED CAPITAL FORMATION? 9B. PLEASE PROVIDE AN EXPLANATION FOR YOUR RESPONSE TO QUESTION 9, AND THE CHALLENGES FACED, IF ANY:



**Australia (Australian Bureau of Statistics):** No  
Difficulties in the valuation marketing assets continues to be a significant challenge.

**Austria (Statistics Austria):** No  
If marketing assets would be treated as IPPs, all expenditures on marketing would be capitalized, we would have to estimate own account production of marketing assets. We do not have the necessary information in order to estimate these assets. Furthermore, the value of marketing assets cannot be attributed only to marketing activities. (See also Guidance Note, paragraph 6.)

Concerning data sources, there is also the problem of the treatment of IPP in International Accounting Standards (IAS 38, Annex II of guidance note) - intangible assets can only be capitalized if acquired externally. The same problem exists also in local Accounting Standards in Austria.

**Austria (Oesterreichische Nationalbank): No**

Especially within the NSI there are concerns of capitalizing expenditures on marketing due to missing information. There will be difficulties to gather adequate information from business units as according to Accounting Standards, intangible assets can only be capitalized if acquired externally.

**Azerbaijan (Central Bank of Azerbaijan Republic): No**

**Belgium (National Bank of Belgium): No**

Due to lack of data, we are not able to identify and measure the production of marketing assets created within a firm for its own account. As regards marketing assets transactions, the annual accounts submitted by the companies to the Central Balance Sheet Office of the National Bank of Belgium is the only source of data available which potentially contains information on capitalized purchased marketing assets. However, the activation of intangible assets is optional in Belgian accounting law. Moreover, the item in question (item 8022) is labelled "Concessions, patent licenses, know-how, brands and similar rights". It is therefore not limited to marketing assets transactions. We are also unable to identify payments for marketing assets that companies register in their costs.

**Bolivia (Instituto Nacional de Estadística): Yes**

Dependiendo de la información disponible

**Canada (Statistics Canada): No**

Challenges in measuring marketing assets would be extensive, including differentiating exactly what is a marketing asset. Additionally, it would be difficult to determine the "more than one year" threshold to identify those marketing components used in intermediate consumption versus GFCF. There is also the concern about double-counting compared to R&D.

**Colombia (National Administrative Department of Statistics – DANE): Yes**

These assets produce significant surpluses and are widely used in the economy, so they should be considered as investment flows.

**Colombia (Banco de la República): No**

No contamos con la disponibilidad de información, por lo que en el momento no se puede realizar una medición coherente de este tipo de activos.

**Costa Rica (Banco Central de Costa Rica): Yes**

The questionnaires will be modified to detail the amounts related to non-produced assets.

**Denmark (Statistics Denmark): No**

It may not be difficult to measure GFCF. However, valuing and revaluing the asset will be very difficult.

**Finland (Statistics Finland): No**

At the moment we do not have data needed to compile this information. The valuing of marketing assets might be difficult.



**France (Insee):** Yes

**Georgia (National Statistics Office of Georgia):** Yes

Marketing assets create values for companies and should be considered as capital assets. A challenge will be identifying amortisation profiles and defining lifetime periods for particular categories of marketing assets. Valuation of marketing asset will be a challenge itself.

**Germany (Federal Statistical Office):** No

From our point of view, the estimation of the value of marketing assets is not possible due to lack of data and open conceptual issues. Therefore, we favor option 2 (keeping the current classification as non-produced non-financial assets). In addition, the question remains if capitalized marketing expenditure could truly reflect the brand value (marketing assets) of a company.

**Hungary (Hungarian Central Statistical Office):** No

The measurement issues are still present together with the potential volatility of the value of the asset. Furthermore available data sources and mapping the new requirement has not analysed yet.

**Indonesia (BPS - Statistics Indonesia):** Yes

Since the valuation of marketing assets will not have a good base on market, its valuation would be based on input or cost approach.

**Ireland (CSO):** Yes

For domestic companies the identification of marketing assets will be a huge challenge as these assets would not generally be recorded on the balance sheet by the companies. Also the split between goodwill and marketing assets may not be clearly defined by the company.

The outright acquisition / disposal of assets can be recorded through enterprise surveys such as for the balance of payments. For very large cases there is currently a need to clarify with the respondent if the asset is an IPP or trademark / marketing / goodwill asset. This is not always straightforward. In the proposed scenario, we would need to request a further distinction between goodwill and other trademark/marketing type asset.

**Israel (Israel Central Bureau of Statistics):** No

**ITALY (Italian National Institute of statistics (Istat)):** No

As marketing assets may include different kind of items (such as trademarks, brand, domain names, logos, etc.) and each item could have different production processes, a more detailed specification would be necessary to plan how measures GFCF of marketing assets. Further elaboration and analysis are needed regarding definitions and available data sources.

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** No

It will be extremely difficult to capture the in-house production of marketing activities that would be recognized as the production of marketing assets. As for research and development, as the business accounting has explicit rule for measuring related expenses and there also exists an established statistical guideline to measure R&D expenses, it is relatively easy to estimate R&D production in national accounts compilation. Conversely, there is no business accounting rule nor established statistical guideline for measuring marketing assets related expenses in broad sense. In addition, advertising and sales promotion expenses related to marketing activities are not limited to those for brand building, but

also include those for price discounting, and the departments and employees involved in these activities are not seemed to be specialized unlike in R&D-related departments, all of which cause difficulties to capture relevant statistical units.

Even if the scope of marketing assets producing activities were to be more limited only to include subcontracting fees paid to advertising agencies, it would be difficult to distinguish between expenditures that contribute to production over multiple years and those that have an effect only within a year. It would be also very difficult to measure the effective period of life even for the portion used for production activities over multiple years, which would be a serious obstruct to calibrate depreciation rate of marketing assets.

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan): No**

Отсутствие необходимых данных для учета маркетинговых активов. (Lack of necessary data to account for marketing assets)

**Latvia (Central Statistical Bureau of Latvia): No**

Currently there is lack of resources and data for new, adequately measured implementation. Also recommendations are needed.

**Lithuania (Statistics Lithuania, National Accounts Division): No**

The main difference of marketing assets' from other assets is that the biggest part of these assets value is achieved not through production itself, but depends on many other factors (e.g. company reputation). It is often difficult to distinguish marketing assets value from goodwill or advertising. The cost of production method is not appropriate in that case. Due to certain external circumstances the value of marketing assets can sometimes change significantly and suddenly. All that means that there can be no common rules or methods applied to evaluate the marketing assets of different companies. The actual value of the particular marketing asset can be evaluated after it's transfer/ sale to other company.

Depreciation of marketing assets would also be problematic. Marketing assets of famous companies usually increase value over time, not depreciate.

And one more issue is the lack of data sources.

**Luxembourg (STATEC): Yes**

Marketing assets are difficult to identify.

Perhaps there is chicken egg dilemma here. Unless marketing assets are defined as produced assets, there

will no further efforts to try to identify better marketing assets and will never get rid of the dilemma.

Perhaps

the flexibility suggested in the document will be good starting point to get in longer term to a better solution.

Of course it will remain very difficult for the past to an estimate for past investment in marketing assets.

Estimation of capital stock will only be feasible in the longer run. But one has to start this journey, unless you

never reach your destination.

For marketing assets again, economic ownership should never be allocated to an SPE as it never assumes

any risks with respect to those assets.

**Macao SAR (Monetary Authority of Macao):** No

Sometimes difficult to measure the value.

**México (INEGI):** Yes

Once we analyzed the topics, it is possible that the National Accounting Office starts checking and changing the treatment given to marketing assets, hoping to establish coordination with the balance of payments statistics department in order to put in efforts to maintain the same classification criteria that allows homogeneity between statistics.

**Morocco (Morocco):** No

Note that these answers concern me and express my point of view and not that of my institution. This question deserves to be dealt with with the statistics office in charge of national accounts.

**Myanmar (Central Bank of Myanmar):** No

**Myanmar (Planning Department):** Yes

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Yes

If there are clear international guidelines, based on capitalizing expenses, then we would be able to capitalize marketing assets. We however do think that it will take quite some time to develop such clear guidelines, and that therefore this issue should be placed on the long term research agenda.

What we cannot measure adequately is the impact capitalized marketing assets has on received reinvested earnings on foreign direct investments. For this purpose, marketing expenses of foreign subsidiaries should be estimated. For this purpose, no data are available.

**New Zealand (Stats NZ):** No

The practicality of measuring investment flows for capital formation of marketing assets is a major concern. Building brands and other forms of marketing assets could be attributed to many activities within production units. For example, it could be attributable to promotion activity, R&D inseparable from production activity or even favourable events with no involvement of the creator of the marketing asset. In this situation it becomes very difficult to separate out current and capital expenditure.

**Norway (Statistics Norway):** No

Missing adequate data sources for this, for NA and BOP purposes.

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Yes

Sí podríamos, pero para ello, se requiere una metodología explícita (que prácticamente se indica en la guía), y lograr información de las empresas con mayor detalle a fin de aplicar la opción 1.

**Polska (Statistics Poland):** No

The implementation of Option 1 would require additional, detailed data sources which is in contradiction with the general approach aimed at decreasing reporting burden. What is more, the relevant parameters for CFC, including service life, would be difficult to determine.

**Qatar (Planning and Statistics Authority):** Yes

It could be calculated by costs, including expenses on marketing.

It would be challenging to collect wages and salaries for employees devoted to marketing activities as these data is not collected. May need to follow an approach similar to R&D, conducting a separate survey every other year.

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** No

**Romania (National Institute of Statistics/ National Bank of Romania):** Yes

NBR could introduce new instructions and explanations for the reporting agents in the methodology related to the dedicated ITS survey in order to reclassify the corresponding transactions.

**Saudi Arabia (General Authority for Statistics):** No

we have not enough information.

**Singapore (Department of Statistics):** No

It would be challenging to identify and capitalise costs relating to the production of marketing assets. Without clear guidance and consensus on the expenditures to capitalise (e.g. should all expenditures on advertising and promotional activities be capitalised?), we foresee potential issues in implementation and international comparability.

**South Africa (SARB):** No

This data should be available in the ITRS for balance of payments. However, the practical difficulty in measuring marketing assets is a major stumbling block. The SARB does not currently compile marketing assets estimates. The SARB does not have a reliable potential data source for domestic transactions to pinpoint the value of marketing assets.

**Sverige (Statistics Sweden):** No

We do not know where to find the data to support the proposed recording.

**Switzerland (Swiss National Bank):**

As central bank we are responsible for BOP only.

**Switzerland (Federal Statistical Office):** No

Contrary to the capitalization of R&D, we could not rely on surveys and well-established statistics to capitalize marketing assets.

**Thailand (Bank of Thailand):** Yes

Since 'marketing assets' meet the definition of 'produced non-financial assets', treatment as recommended by Option 1 seems more in line with the definition.

**The People's Republic of China (National Bureau of Statistics):** No

It is very difficult to measure their value.

**Turkey (TurkStat (original provided in pdf)):** No

We have not studied yet.

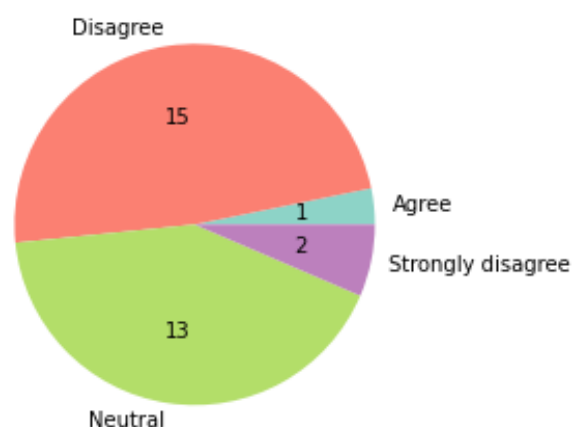
**Ukraine (State Statistics Service of Ukraine):** No

Currently, the work to identify groups of enterprises (including multinational enterprises) is not finished yet in the Register of Statistical Units (RSU). At the same time, the Methodological provisions to identify groups of enterprises in the RSU and the relevant software have been developed. Also, during 2021, the tentative calculations to construct groups of enterprises in the RSU were made (identification of groups of enterprises in the RSU is scheduled for 2022).

**United Kingdom (Office for National Statistics):** Yes

UK (ONS) work in this area is still within the early stages, though we think that we may be ahead when compare to other NSO's. Following the outcome of this guidance note, a lot more work will be undertaken to align conceptual definitions.

10A. IF YOU ANSWERED "NO" TO QUESTION 9A, BASED ON YOUR ORGANIZATION'S MEDIUM-TERM STRATEGIC PLAN, WOULD IT BE POSSIBLE TO ADEQUATELY MEASURE MARKETING ASSETS AS PRODUCED AND ADEQUATELY MEASURE THE CURRENT PRODUCTION AND INCLUDE IN MEASURES OF GROSS FIXED CAPITAL FORMATION IF YOU WERE TO IMPLEMENT THE GN'S PROPOSALS AFTER 3-5 YEARS? 10B. PLEASE PROVIDE AN EXPLANATION FOR YOUR RESPONSE TO QUESTION 10A:



**Australia (Australian Bureau of Statistics):** Neutral

It is unlikely that the ABS would be able to adequately measure marketing assets as fixed assets in the medium term, however if there is further developments of how to value and measure them as produced assets then it may be feasible.

**Austria (Statistics Austria):** Disagree

We do not have information on the own account marketing activities of companies. Furthermore, the value of marketing assets cannot be attributed only to marketing activities. (See also Guidance Note, paragraph 6.) This problem will not disappear in the future.

**Austria (Oesterreichische Nationalbank):** Neutral

The NSI comments that information on the own account marketing activities of companies is missing.

**Azerbaijan (Central Bank of Azerbaijan Republic):** Neutral

**Belgium (National Bank of Belgium):** Disagree

In our opinion, the only way to be able to adequately measure marketing assets created within a firm as well as outright acquisitions or sales of marketing assets is to adopt the same approach as that used for

R&D activities. This approach implies the drafting of a European reference Manual, the organization of a national survey (based on this Manual) dedicated to marketing-related expenses as well as the development of satellite accounts in order to ensure that the consideration of marketing assets as produced assets is carried out in a harmonized way between countries.

**Canada (Statistics Canada):** Disagree

Challenges in measuring marketing assets would be extensive, including differentiating exactly what is a marketing asset. Additionally, it would be difficult to determine the "more than one year" threshold to identify those marketing components used in intermediate consumption versus GFCF. There is also the concern about double-counting compared to R&D.

**Colombia (Banco de la República):** Neutral

Debe adelantarse un trabajo coordinado con el departamento nacional de estadística para el desarrollo de un plan que permita la generación y clasificación de estos datos.

**Denmark (Statistics Denmark):** Disagree

**Finland (Statistics Finland):** Disagree

**Germany (Federal Statistical Office):** Disagree

As pointed out in the GN, so far, the research related to capturing marketing assets and related flows in practice has been rather limited. Any conceptual treatment chosen should be accompanied by practical recommendations in some compilation guide to ensure the cross-country comparability of these data (stocks and flows).

**Israel (Israel Central Bureau of Statistics):** Disagree

As marketing assets are not covered in business accounting standards, and there is no standard methodology available. A long term process is required to develop new surveys.

**ITALY (Italian National Institute of statistics (Istat)):** Disagree

A methodological guideline would be needed for a feasible action plan.

**Japan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** Disagree

Regarding the challenges described in 9B, it is difficult to overcome them in 3 to 5 years term, and to reach a social consensus.

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** Neutral

В настоящее время учет маркетинговых активов в национальных счетах не формируется (Currently estimates of marketing assets are not compiled in national accounts)

**Latvia (Central Statistical Bureau of Latvia):** Neutral

We are not sure if we can gather such information from entities in Latvia, since its already problematic to collect complete data for other issues. Some practical implementation examples/guidance from experience of other countries would be needed.

**Lithuania (Statistics Lithuania, National Accounts Division):** Disagree

Lack of data sources and reasonable methods (see 9B) as well as lack of human resources

**Macao SAR (Monetary Authority of Macao):** Neutral  
No comment.

**Morocco (Morocco):** Neutral

**Myanmar (Central Bank of Myanmar):** Neutral

**New Zealand (Stats NZ):** Strongly disagree

As per response to 9B our view is that resolving these issues would be very difficult and require high investitive and data collection costs. Considering evidence that marketing assets are a small component of NZ resident unit balance sheets, this also lowers the priority for addressing this issue.

**Norway (Statistics Norway):** Disagree

**Polska (Statistics Poland):** Disagree

See answer to 9A

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** Neutral

**Saudi Arabia (General Authority for Statistics):** Agree

If we will have more data.

**Singapore (Department of Statistics):** Neutral

More time is required to review the conceptual treatment and assess the feasibility of practical implementation.

**South Africa (SARB):** Disagree

There are no domestic data sources and even if the marketing asset component of cross border transactions can be captured, it will be a very small fraction of the population.

**Sverige (Statistics Sweden):** Strongly disagree

It would be a waste of resources that can be used for more urgent improvements of the NA and BoP.

**Switzerland (Federal Statistical Office):** Disagree

Given our starting point and therefore the amount of work that would be required to implement option 1, combined with the uncertainties of the practical recommendations, implementation within a 3-5 year timeframe seems unachievable.

**The People's Republic of China (National Bureau of Statistics):** Disagree

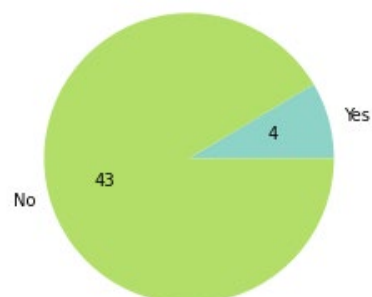
Marketing assets as simillar to goodwill, shoubl d be treated as nonproduced assets.

**Turkey (TurkStat (original provided in pdf)):** Neutral

We have not studied yet.

**Ukraine (State Statistics Service of ukraine):** Neutral

11A. HAVE YOU UNDERTAKEN RESEARCH AND PRODUCED EXPERIMENTAL ESTIMATES TO TREAT MARKETING ASSETS AS PRODUCED? 11B. IF YES, PLEASE PROVIDE A BRIEF SUMMARY OF THE RESULTS (MORE DETAILED RESPONSES CAN BE SENT TO SNA-GLOBALIZATION@IMF.ORG)



**Australia (Australian Bureau of Statistics):** No

**Austria (Statistics Austria):** No

**Austria (Oesterreichische Nationalbank):** No

**Azerbaijan (Central Bank of Azerbaijan Republic):** No

**Belgium (National Bank of Belgium):** No

**Bolivia (Instituto Nacional de Estadística):** No

**Canada (Statistics Canada):** No

**Colombia (National Administrative Department of Statistics – DANE):** No

**Colombia (Banco de la República):** No

**Costa Rica (Banco Central de Costa Rica):** No

**Denmark (Statistics Denmark):** No

**Finland (Statistics Finland):** No

**France (Insee):** Yes

**Georgia (National Statistics Office of Georgia):** No

**Germany (Federal Statistical Office):** No

**Indonesia (BPS - Statistics Indonesia):** No

**Ireland (CSO):** No



**Israel (Israel Central Bureau of Statistics):** No

**ITALY (Italian National Institute of statistics (Istat)):** No

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** No

**Kazakhstan (Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan):** No

**Latvia (Central Statistical Bureau of Latvia):** No

**Lithuania (Statistics Lithuania, National Accounts Division):** No

**Luxembourg (STATEC):** No

**Macao SAR (Monetary Authority of Macao):** No

**México (INEGI):** No

**Morocco (Morocco):** No

**Myanmar (Central Bank of Myanmar):** No

**Myanmar (Planning Department):** No

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Yes

Our research is already included as reference in the guidance note. We have not done any further research in the last 10 years.

**New Zealand (Stats NZ):** No

**Norway (Statistics Norway):** No

**Perú (Instituto Nacional de Estadística e Informática - INEI):** No

**Polska (Statistics Poland):** No

**Qatar (Planning and Statistics Authority):** No

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** Yes

По результатам экспериментальной оценки доля произведенных маркетинговых активов в нематериальных активах составляет 1,1%.

**Romania (National Institute of Statistics/ National Bank of Romania):** No

**Saudi Arabia (General Authority for Statistics):** No

**Singapore (Department of Statistics):** No

**South Africa (SARB):** No

**Sverige (Statistics Sweden):** No

**Switzerland (Swiss National Bank):** No

**Switzerland (Federal Statistical Office):** No

**Thailand (Bank of Thailand):** No

**The People's Republic of China (National Bureau of Statistics):** No

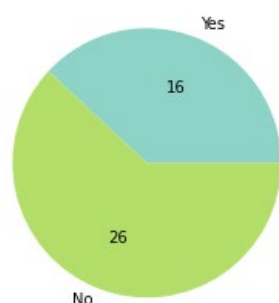
**Turkey (TurkStat (original provided in pdf)):** No

**United Kingdom (Office for National Statistics):** Yes

The UK (ONS) identified that there is limited evidence on what fraction of spending on branding is truly investment and what proportion of relevant workers' time is spent on long-lived branding activities. As such, it has undertaken work to develop measures of investment in intangible assets, using new insights and innovative approaches to reflect the importance of intangible assets in generating value in the modern economy. This includes the development of estimates of investment in own-account branding, improvements to the methods to estimate training investment, constructing consistent historic estimates, and the identification and development of suitable price indices. New experimental estimates of own-account branding investment have been published, which incorporate advertising and market research activities. Next steps include the development of new estimates of own-account branding investment.

The ONS has made considerable progress in price indices and depreciation rates throughout 2020 and 2021. In doing so, ONS hopes to advance the international agenda and provide evidence and methods that can be used by other NSOs in better measuring intangible assets. A future SNA may include additional intangible assets, drawing on the evidence developed by the ONS here (<https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/experimental-estimates-of-investment-in-intangible-assets-in-the-uk-2015-2016>)

## 12. ARE INTERNATIONAL TRANSACTIONS IN THE RIGHTS TO USE MARKETING ASSETS MATERIAL IN YOUR JURISDICTION?



**Australia (Australian Bureau of Statistics):** No

**Austria (Statistics Austria):** No

**Austria (Oesterreichische Nationalbank):** No

**Azerbaijan (Central Bank of Azerbaijan Republic):** No

**Belgium (National Bank of Belgium):** No

**Bolivia (Instituto Nacional de Estadística):** Yes

**Canada (Statistics Canada):** Yes

**Colombia (National Administrative Department of Statistics – DANE):** No

**Colombia (Banco de la República):** Yes

**Costa Rica (Banco Central de Costa Rica):** Yes

**Finland (Statistics Finland):** No

**Georgia (National Statistics Office of Georgia):** No

**Germany (Federal Statistical Office):** Yes

**Indonesia (BPS - Statistics Indonesia):** No

**Ireland (CSO):** No

**Israel (Israel Central Bureau of Statistics):** Yes

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** No

**Japan (Bank of Japan):** No

**Latvia (Central Statistical Bureau of Latvia):** No

**Lithuania (Statistics Lithuania, National Accounts Division):** No

**Luxembourg (STATEC):** Yes

**Macao SAR (Monetary Authority of Macao):** Yes

**México (INEGI):** Yes

**Morocco (Morocco):** No

**Myanmar (Central Bank of Myanmar):** Yes

**Myanmar (Planning Department):** No

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Yes

**New Zealand (Stats NZ):** No

**Norway (Statistics Norway):** No

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Yes

**Polska (Statistics Poland):** No

**Qatar (Planning and Statistics Authority):** No

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь): No**

**Romania (National Institute of Statistics/ National Bank of Romania): Yes**

**Saudi Arabia (General Authority for Statistics): No**

**South Africa (SARB): No**

**Sverige (Statistics Sweden): No**

**Switzerland (Swiss National Bank): Yes**

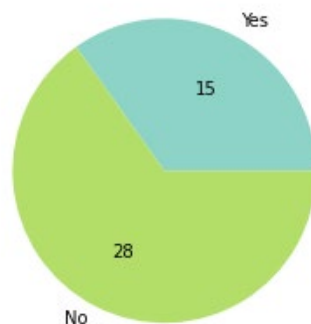
**Switzerland (Federal Statistical Office): Yes**

**Thailand (Bank of Thailand): No**

**Turkey (TurkStat (original provided in pdf)): No**

**United Kingdom (Office for National Statistics): Yes**

13. ARE OUTRIGHT SALES/PURCHASES OF MARKETING ASSETS ACROSS BORDERS MATERIAL IN YOUR JURISDICTION?



**Australia (Australian Bureau of Statistics): No**

**Austria (Statistics Austria): No**

**Austria (Oesterreichische Nationalbank): No**

**Azerbaijan (Central Bank of Azerbaijan Republic): No**

**Belgium (National Bank of Belgium): No**

**Bolivia (Instituto Nacional de Estadística): No**

**Canada (Statistics Canada): Yes**

**Colombia (National Administrative Department of Statistics – DANE):** No

**Colombia (Banco de la República):** Yes

**Costa Rica (Banco Central de Costa Rica):** Yes

**Finland (Statistics Finland):** No

**Georgia (National Statistics Office of Georgia):** No

**Germany (Federal Statistical Office):** Yes

**Indonesia (BPS - Statistics Indonesia):** No

**Ireland (CSO):** Yes

**Israel (Israel Central Bureau of Statistics):** Yes

**Japan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** No

**Japan (Bank of Japan):** No

**Latvia (Central Statistical Bureau of Latvia):** No

**Lithuania (Statistics Lithuania, National Accounts Division):** No

**Luxembourg (STATEC):** Yes

**Macao SAR (Monetary Authority of Macao):** No

**México (INEGI):** No

**Morocco (Morocco):** No

**Myanmar (Central Bank of Myanmar):** No

**Myanmar (Planning Department):** No

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Yes

**New Zealand (Stats NZ):** No

**Norway (Statistics Norway):** No

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Yes

**Polska (Statistics Poland):** No

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** No

**Romania (National Institute of Statistics/ National Bank of Romania):** Yes

**Saudi Arabia (General Authority for Statistics):** Yes

**Singapore (Department of Statistics):** Yes

**South Africa (SARB): No**

**Sverige (Statistics Sweden): No**

**Switzerland (Swiss National Bank): Yes**

**Switzerland (Federal Statistical Office): Yes**

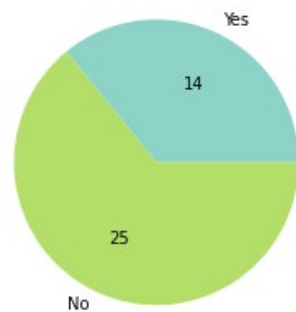
**Thailand (Bank of Thailand): No**

**The People's Republic of China (National Bureau of Statistics): No**

**Turkey (TurkStat (original provided in pdf)): No**

**United Kingdom (Office for National Statistics): Yes**

14. ARE INTRA-MNE FLOWS OF MARKETING ASSETS MATERIAL IN YOUR JURISDICTION?



**Australia (Australian Bureau of Statistics): No**

**Austria (Statistics Austria): No**

**Austria (Oesterreichische Nationalbank): No**

**Azerbaijan (Central Bank of Azerbaijan Republic): No**

**Bolivia (Instituto Nacional de Estadística): No**

**Canada (Statistics Canada): Yes**

**Colombia (National Administrative Department of Statistics – DANE): No**

**Colombia (Banco de la República): Yes**

**Costa Rica (Banco Central de Costa Rica): Yes**

**Finland (Statistics Finland): No**

**Georgia (National Statistics Office of Georgia): No**

**Indonesia (BPS - Statistics Indonesia):** Yes

**Ireland (CSO):** Yes

**Israel (Israel Central Bureau of Statistics):** Yes

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** No

**Japan (Bank of Japan):** No

**Latvia (Central Statistical Bureau of Latvia):** No

**Lithuania (Statistics Lithuania, National Accounts Division):** No

**Luxembourg (STATEC):** Yes

**México (INEGI):** No

**Morocco (Morocco):** Yes

**Myanmar (Central Bank of Myanmar):** No

**Myanmar (Planning Department):** No

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Yes

**New Zealand (Stats NZ):** No

**Norway (Statistics Norway):** No

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Yes

**Polska (Statistics Poland):** No

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** No

**Romania (National Institute of Statistics/ National Bank of Romania):** Yes

**Saudi Arabia (General Authority for Statistics):** No

**South Africa (SARB):** No

**Sverige (Statistics Sweden):** No

**Switzerland (Swiss National Bank):** Yes

**Switzerland (Federal Statistical Office):** Yes

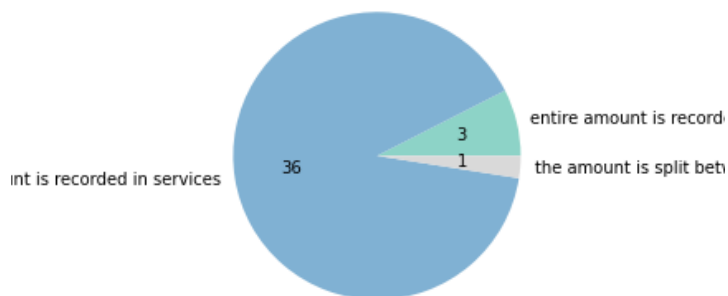
**Thailand (Bank of Thailand):** No

**The People's Republic of China (National Bureau of Statistics):** No

**Turkey (TurkStat (original provided in pdf)):** No

**United Kingdom (Office for National Statistics):** Yes

15. IN YOUR CURRENT PRACTICE, HOW DO YOU USUALLY RECORD INTERNATIONAL TRANSACTIONS IN THE RIGHT TO USE MARKETING ASSETS?



**Austria (Statistics Austria):** entire amount is recorded in services

**Austria (Oesterreichische Nationalbank):** entire amount is recorded in services

**Azerbaijan (Central Bank of Azerbaijan Republic):** entire amount is recorded in services

**Belgium (National Bank of Belgium):** entire amount is recorded in services

**Bolivia (Instituto Nacional de Estadística):** entire amount is recorded in services

**Canada (Statistics Canada):** entire amount is recorded in services

**Colombia (National Administrative Department of Statistics – DANE):** entire amount is recorded in services

**Colombia (Banco de la República):** entire amount is recorded in services

**Costa Rica (Banco Central de Costa Rica):** entire amount is recorded in services

**Denmark (Statistics Denmark):** entire amount is recorded in services

**Georgia (National Statistics Office of Georgia):** entire amount is recorded in services

**Hungary (Hungarian Central Statistical Office):** entire amount is recorded in services

**Indonesia (BPS - Statistics Indonesia):** entire amount is recorded in income

**Ireland (CSO):** entire amount is recorded in services

**Israel (Israel Central Bureau of Statistics):** entire amount is recorded in services

**ITALY (Italian National Institute of statistics (Istat)):** entire amount is recorded in services

**Japan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** entire amount is recorded in services



**Japan (Bank of Japan):** entire amount is recorded in services

**Latvia (Central Statistical Bureau of Latvia):** entire amount is recorded in services

**Lithuania (Statistics Lithuania, National Accounts Division):** entire amount is recorded in services

**Luxembourg (STATEC):** entire amount is recorded in income

**Macao SAR (Monetary Authority of Macao):** entire amount is recorded in services

**Morocco (Morocco):** entire amount is recorded in services

**Myanmar (Central Bank of Myanmar):** entire amount is recorded in services

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** entire amount is recorded in services

**New Zealand (Stats NZ):** entire amount is recorded in services

**Norway (Statistics Norway):** entire amount is recorded in services

**Perú (Instituto Nacional de Estadística e Informática - INEI):** entire amount is recorded in income

**Polska (Statistics Poland):** entire amount is recorded in services

**Romania (National Institute of Statistics/ National Bank of Romania):** entire amount is recorded in services

**Saudi Arabia (General Authority for Statistics):** the amount is split between services and income

**Singapore (Department of Statistics):** entire amount is recorded in services

**South Africa (SARB):** entire amount is recorded in services

**Sverige (Statistics Sweden):** entire amount is recorded in services

**Switzerland (Swiss National Bank):** entire amount is recorded in services

**Switzerland (Federal Statistical Office):** entire amount is recorded in services

**Thailand (Bank of Thailand):** entire amount is recorded in services

**The People's Republic of China (National Bureau of Statistics):** entire amount is recorded in services

**Turkey (TurkStat (original provided in pdf)):** entire amount is recorded in services

**United Kingdom (Office for National Statistics):** entire amount is recorded in services

16. A MAJOR CHALLENGE TO TREATING MARKETING ASSETS AS PRODUCED IS THAT THE BUSINESS ACCOUNTING STANDARDS (INTERNATIONAL ACCOUNTING STANDARDS 38 [3]) DO NOT RECOGNIZE THEM AS ASSETS UNLESS THEY ARE SEPARATELY ACQUIRED (I.E., AFTER THEY ARE PRODUCED) AND SATISFY THE GENERAL RECOGNITION AND MEASUREMENT CONDITIONS. DO YOU HAVE ANY SUGGESTIONS ON HOW TO OVERCOME SUCH CHALLENGES (I.E., USING ADVERTISING EXPENDITURES)? PLEASE DESCRIBE.

[3] [HTTPS://WWW.IASPLUS.COM/EN/STANDARDS/IAS/IAS38](https://www.iasplus.com/en/standards/ias/ias38)

**Belgium (National Bank of Belgium):** See answer Q.10.B

**Colombia (National Administrative Department of Statistics – DANE):** No comments

**Colombia (Banco de la República):** NO

**Denmark (Statistics Denmark):** Cost surveys could be part of - but not the whole - solution

**France (Insee):** no

**Indonesia (BPS - Statistics Indonesia):** We think the micro accounting standard should be revised accordingly if the conclusion on marketing assets goes to produced assets. Revisions to accommodate a new circumstance is common.

**Israel (Israel Central Bureau of Statistics):** Companies invest in developing and maintaining a reputation. While the business accounting standards don't distinguish between this and regular marketing expenses, the company itself might (For example, brand reputation consulting fees could be recognized as an investment in marketing assets). A survey, or added question on an existing survey, could provide the required information.

**ITALY (Italian National Institute of statistics (Istat)):** For the time being we do not have any suggestions.

**Japan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** Even in the international accounting standard, the measurement of marketing assets is difficult as it only covers the amount of observed purchase and sales the amount of assets (i.e. social consensus cannot be easily reached). While the future discussion on international accounting standards should be followed, we at this moment have to judge that it is arduous to estimate the value of marketing assets from production approach.

In any case, since the recording inconsistent with business accounting is difficult, it would be necessary to reach out to the accounting standards experts to consider measuring marketing assets in a broader sense.

**Latvia (Central Statistical Bureau of Latvia):** No, we don't.

**Lithuania (Statistics Lithuania, National Accounts Division):** Advertising expenditures are not the only expenditures affecting the value of marketing assets, and this method wouldn't be sufficient / adequate

**Luxembourg (STATEC):** Perhaps you need to put in place a survey as for R&D (Frascati) especially for own-account expenses for marketing assets. It is not only about advertising, expenses for design, layout, taste .... should be considered too. Perhaps the borderline with R&D is not straightforward. The problem is perhaps that not one company is as the next one. There are surely a lot of practical problems to overcome. A feasibility study for a couple of MNE will give more insights to this respect.

**Macao SAR (Monetary Authority of Macao):** No comment.

**México (INEGI):** No, we have no it.

**Morocco (Morocco):** Perhaps, we should look at the difference between the stock market value and the value resulting from equity at their book value combined with advertising expenses. Because the market value takes into account the brand of the company concerned conveyed on the market.

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** Only solution we can think of is to capitalize cost, including expenses for marketing personnel.

**New Zealand (Stats NZ):** See response to 9B. Our view is that connecting costs to contributors of value to marketing assets would be very difficult.

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Podría establecerse una unidad de registro de carácter oficial que compile la compra/venta de los activos de comercialización.

**Polska (Statistics Poland):** No

**Qatar (Planning and Statistics Authority):** Expenses on advertising are often identifiable when it is outsourced.

It will be challenging to produce estimates for advertisement efforts made in-house. I guess a feasible approach could be one similar to the approach followed for R&D.

**Republic of Belarus (Республика Беларусь) (Национальный статистический комитет Республики Беларусь):** использовать затратный метод на маркетинговые активы

**Saudi Arabia (General Authority for Statistics):** No

**Thailand (Bank of Thailand):** '--

**United Kingdom (Office for National Statistics):** IAS 38 is clear in that marketing assets cannot be recognised as intangible assets unless they are separately acquired.

Subsequent expenditure to further develop a brand once acquired (such as advertising and promotional activities) would not satisfy the recognition criteria to be recognised as an intangible asset and therefore will be expensed to the profit and loss account. IAS 38 (s.20) states subsequent expenditure on brands, mastheads, publishing titles, customer lists and items similar in substance (whether externally acquired or internally generated) is always recognised in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

In addition IAS 38 (s.69) notes that although some expenditure is incurred with the intention of providing future economic benefits it is not permitted to recognise an intangible asset.

Based on this information from the standard, the financial statements will not show any intangible assets in relation to marketing assets that are not separately acquired.

For a marketing asset that is acquired externally, the recognition criteria which must both be met are:

- it is probable that the future economic benefits that are associated with the marketing asset will flow to the entity; and
- the cost of the asset can be reliably measured.

In relation to how else the value of marketing assets could be determined, the accounting standards do not require separate disclosure of the amount of advertising and marketing expenditure incurred, either within the profit and loss account or in the disclosure notes to the accounts. Therefore, it would be difficult to obtain this information directly from the financial statements.

The following options could be considered:

- The use of surveys such as the Annual Business Survey and the Annual Purchases Survey which collect advertising and marketing costs of a business.
- There may be other admin data sources that could be useful. For example, the ONS are investigating the potential of using corporation tax data from HMRC. Please note that this project is still in the early stages.

Note that consideration would be needed regarding how to apportion the advertising and marketing costs to allocate to any marketing asset.

#### 17. DO YOU HAVE ANY OTHER COMMENTS ON THE GUIDANCE NOTE?

**Colombia (National Administrative Department of Statistics – DANE):** No comments

**Colombia (Banco de la República):** NO

**Finland (Statistics Finland):** Q5A. This needs more studies if sub-licensing could be an asset.

**France (Insee):** The guidance note provides a useful summary of the issues at stake, and is very clear. However, this topic does not seem to represent a challenge by comparison to other extensions of the SNA.

**Indonesia (BPS - Statistics Indonesia):** Please consider also promoting collaborative work among NSOs regarding this issue. There are tendencies of ownership agglomeration of marketing assets among countries.

**Ireland (CSO):** The GN only briefly mentions CFC.

It seems to generally be the case that large figures in the current allocation of intangibles (in the CSO) do not feed through to P&L depreciation although there are exceptions to this rule.

The impact on depreciation of recording marketing assets as produced would need to be considered to keep national accounts profits and investment income in the balance of payments aligned.

There might also be a risk of further divergence from standard accounting. For example, if national accounts records the run down over time of the assets, but IAS does not require depreciation.

**ITALY (Italian National Institute of statistics (Istat)):** Despite our theoretical agreement with option 1, we consider implementation issues still quite a challenge, as no information is generally available.

**Janan (Economic and Social Research Institute, Cabinet Office, Government of Japan):** This is the comment for Question-3.

We would agree that the cost of outsourcing production of brand logo to designers or artists could be recognized as produced asset. That said, it should be noted that its scope might overlap with that of "original entertainment, literary, and artistic works."

On the other hand, we would disagree on, or at best be neutral to, the idea that SNA should treat the entire brand value in a broader sense as produced asset.

On the one hand, we suppose it is theoretically reasonable to consider marketing assets are accumulated and increase its value as a result of certain productive activities. And it would be useful to recognize the receipt and payment of royalties related to the use of marketing assets as service production rather than property income, in the sense that SNA could be able to record the contribution to production of goods and services with certain brand names as intermediate inputs.

Having said that, however, it should be noted that the expenditures related to marketing activities will not necessarily contribute directly to the increase in value of marketing assets, and, in the same vein, neglecting marketing activities will not necessarily lead to the decrease in value of marketing assets over time. Therefore, we think there is some leap in logic in the idea that marketing assets should be recognized simply as fixed assets.

**Latvia (Central Statistical Bureau of Latvia):** The material mentions that marketing assets would then be depreciated similarly to physical assets. It can be partly agreed that some assets are even rapidly depreciating, but the value of successful brands tends to increase.

**México (INEGI):** NO. we have no it.

**Morocco (Morocco):** Congratulations to the team that drafted this note because it provides several clarifications and this shows the great effort deployed for its elaboration.

**Nederland (Statistics Netherlands (also on behalf of the Dutch Central Bank)):** We propose to put this on the longterm SNA research agenda. A proper estimation of these assets is difficult. Determining GFCF in marketing assets would probably be feasible based on the sum of cost approach. Depreciating and revaluating the assets is much harder. The value of marketing assets depends a lot on incidents, like a public relation disaster that has a large negative impact on a brand name. If clear guidelines exist, we are probably able to follow these and calculate CFC and revaluation, but it is questionable whether this would lead to a realistic approximation of the true value of marketing assets.

**Perú (Instituto Nacional de Estadística e Informática - INEI):** Estamos de acuerdo que los activos de comercialización (marcas) le añaden un valor significativo a los productos de la empresa; por tanto deben identificarse como activos no financieros producidos, y por tanto se deben proponer procedimientos metodológicos adecuados para lograr su identificación y medición en la contabilidad de las empresas.

**Polska (Statistics Poland):** No

**South Africa (SARB):** No comment

**Thailand (Bank of Thailand):** Boxes in BPM7 CG showing actual examples of marketing assets and how to derive the transaction value (including the split between services & income) would be very useful.

**United Kingdom (Office for National Statistics):** The UK originally submitted this consultation on 07/02/2022. It is being submitted again due to additional information from experts on Q.16.

A strong preference for Option 1 despite answering questions related to the alternative.

Regarding Question 5:

The UK would like to request further guidance on the proposed treatment of sublicensing marketing assets. (Marianthi Dunn)

Regarding Marketing Asset Transactions:

The guidance has yet to propose product classifications for the transactions relating to marketing assets.

The UK asks what consideration has been given to the product classification in the current and draft future Central Product Classification? (Eric Crane)

Regarding the name 'Marketing Assets':

More work may be required to refine this or perhaps some accompanying terminology.