Approved by the order of the Acting Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan

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no. 118

**Methodology for accounting for pension fund services**

**Chapter 1. General provisions**

1. The Methodology for Accounting for the Services of Pension Funds (hereinafter - the Methodology) refers to a statistical methodology formed in accordance with international standards and approved in accordance with the Law of the Republic of Kazakhstan dated March 19, 2010 "On State Statistics".
2. This Methodology is applied by the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan (hereinafter - the Committee) when accounting for the services of pension funds.
3. The purpose of this Methodology is to improve the calculation of pension fund services and increase the reliability of estimates of gross output, intermediate consumption and value added created in the financial sector.
4. The System of National Accounts 2008 (hereinafter - SNA 2008), Government Finance Statistics Manual 2014 (hereinafter - Manual) was used as a methodological basis .

5. The following definitions are used in this Methodology:

1) intermediate consumption - represents the cost of goods and services that are transformed or completely consumed in the reporting period as costs for the production of goods and services in the production process;

2) gross value added - characterizes the final result of production activity and represents the value added by processing in this production process. Calculated at the level of sectors as the difference between the output of goods and services and intermediate consumption, includes the cost of fixed capital consumed in the production process;

3 ) institutional unit - an economic unit that is capable of owning assets, incurring liabilities, participating in economic activities and entering into transactions with other units on its own behalf;

4) financial corporations - all resident corporations that are mainly engaged in the provision of financial services to other institutional units, including insurance services and pension funds;

5) non-market output - goods and individual or collective services produced by non-profit organizations serving households or government bodies, provided to other institutional units or to society as a whole free of charge or at economically insignificant prices;

6) market issue - an issue intended for sale at economically significant prices;

7) system of national accounts - a system of statistical indicators built in the form of a certain set of accounts and tables characterizing the results of the country's economic activity;

8) non-profit organizations serving households (hereinafter - NPOSH) - consist of non-market non-profit organizations that are not controlled by government bodies.

**Chapter 2 Accounting for pension fund services in the 2008 System of National Accounts**

1. SNA 2008 distinguishes between market and non-market output and how they are valued. The output of services of a pension fund operating as a market producer is determined on the basis of information on income from its activities. The value of the output of services of a pension fund operating as a non-market producer is determined by the sum of production costs.

Accounting for pension funds in SNA 2008 as market or non-market producers depends on whether the unit belongs to the institutional sector of the economy.

1. According to the Guidelines, there are two approaches to assigning pension funds to sectors of the economy: assigning pension funds to the general government sector as a non-market producer or the financial corporations sector as a market producer. The main criterion for classifying a pension fund as a sector of the economy is whether the unit meets the criteria for an institutional unit.
2. Institutional units are grouped into five institutional sectors that form the country's economy:

sector of non-financial corporations;

financial corporations sector;

public administration sector;

NPOSH sector;

household sector.

The conceptual basis for classifying a particular unit as relevant institutional sectors of the economy in SNA 2008 is presented in Appendix 1 to this Methodology.

1. A state-controlled pension fund that meets the criteria for an institutional unit is treated as a public financial corporation. The public financial corporations subsector is formed as a result of the implementation of public policy objectives by the government with the help of public corporations (for example, railways, airlines, public utilities and public financial corporations). Appendix 2 to this Methodology shows the public sector and its relationship with the institutional sectors of the economy. A state-controlled pension fund that does not meet the criteria for an institutional unit belongs to the general government sector.

**Chapter 3. Calculation of gross output , intermediate consumption and gross value added of pension fund services**

1. To calculate the gross output and intermediate consumption of the services of the Unified Accumulative Pension Fund (hereinafter - UAPF), administrative data from administrative sources are used.
2. Gross value added is calculated as the difference between gross output and intermediate consumption. The calculation of gross output, intermediate consumption and gross value added of UAPF services is presented in Appendix 3 to this Methodology.

Gross output of UAPF services includes commissions from pension assets and from investment income (loss) on pension assets, as well as other income.

Intermediate consumption is calculated as the sum of commission expenses, current lease expenses, other administrative expenses, other expenses.

Appendix 1

to the Methodology for Accounting for Pension Fund Services

**Assignment of units to institutional sectors of the economy in SNA 2008**

Остальной мир

Единица – резидент?

нет

да

Это нерыночный производитель?

Это домашнее хозяйство или институциональное домашнее хозяйство?

да

Домашние хозяйства

нет

да

нет

Контролируется государством?

Производит финансовые услуги?

да

нет

нет

да

НКООДХ

Государственное управление

Нефинансовые корпорации

Финансовые корпорации

Контролируется государством?

Контролируется государством?

да

да

нет

нет

Государственные финансовые корпорации

Есть иностранный контроль?

Есть иностранный контроль?

Государственные нефинансовые корпорации

да

да

нет

нет

Финансовые корпорации под иностранным контролем

Национальные частные финансовые корпорации

Национальные частные нефинансовые корпорации

Нефинансовые корпорации под иностранным контролем

Appendix 2

to the Methodology for Accounting for Pension Fund Services

**The public sector and its relationship with the institutional sectors of the economy**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sector of non-financial corporations | Sector of financial corporations | General government sector | NPOSH sector | Household sector |
| State units | State units | State units | Private units | Private units |
| Private units | Private units |

- Государственный сектор

Appendix 3

to the Methodology for Accounting for Pension Fund Services

**Calculation of gross output, intermediate consumption and gross value added of UAPF services**

thousand tenge

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | Profit and loss statement of JSC "Unified accumulative pension fund" | 2014 | 2015 | 2016 |
| 1 | Commissions, including: | 26 423 162 | 58 856 318 | 58 563 783 |
| 2 | from pension assets | 9 239 578 | 14 046 830 | 16 088 937 |
| 3 | from investment income (loss) on pension assets | 17 183 584 | 44 809 488 | 42 474 846 |
| 4 | Other income | 1 238 | 4401 | 445 463 |
| 5 | Total release = 1+4 | 26 424 400 | 58 860 719 | 59 009 246 |
| 6 | commission expenses,  of them: | 6 337 719 | 20 676 396 | 5 854 810 |
| 7 | portfolio manager remuneration | 5 317 033 | 19 313 399 | 3 610 367 |
| 8 | remuneration to custodian banks | 1 020 686 | 1 362 997 | 2 244 443 |
| 9 | Operating lease expenses | 592 382 | 823 236 | 1 026 763 |
| 10 | Other administrative expenses | 969 984 | 1 889 841 | 2 717 500 |
| eleven | other expenses | 8 | 7 715 | 0 |
| 12 | Total intermediate consumption = 6+9+10+11 | 7 900 093 | 23 397 188 | 9 599 073 |
| 13 | Gross value added = 5-12 | 18 524 307 | 35 463 531 | 49 410 173 |