

**NATIONAL STATISTICIAN'S COMMITTEE FOR ADVICE ON STANDARDS FOR
ECONOMIC STATISTICS**

20 January 2026

Paper	Reference	Page Number
Agenda		2
National Statistician's Decisions, NSCASE Action Log, NSCASE Recommendations to deviate, NSCASE Terms of Reference, NSCASE Decision Referral Process		3
Advice: UNSC 2026 papers	NSCASE (26)01	18
Advice: Emission permits	NSCASE (26)02	22
Oral update: SNA Research Agenda		31
Advice: SIC Revision Framework – Deviations from 4 digit NACE	NSCASE (26)03	32



NATIONAL STATISTICIAN'S COMMITTEE FOR ADVICE ON STANDARDS FOR ECONOMIC STATISTICS

Agenda

Date: January 2026.

Time: 12pm.

Location: ONS Boardroom, Marsham Street

Time	Item	Details
12::00 – 12:10 - 10 mins	Approval of minutes from previous meeting and declarations of interest	Martin Weale
12:10 – 12:40 - 30 mins	Overview and status of actions from last meeting – NSCASE New Terms of Reference – Decision referral process	Martin Weale
12:40-13:10	Lunch	
13:10 – 14:40 -90 mins	57 th Session of the UN Statistical Commission	Richard Heys
14:40 – 15:10 – 30 mins	Emission Permits	Richard Heys
15:10 – 15:30 – 20 mins	Coffee/Tea	
15:30 - 16:00 – 30 mins	SNA Research Agenda	Sanjiv Mahajan
16:00 – 16:35 – 35 mins	SIC Revision Framework – Deviations from 4 digit NACE	David Beckett
16:35 – 16:40 – 5 mins	AOB	Martin Weale

NSCASE: Decisions made by National Statistician

Paper	Recommendation to National Statistician	Date	National Statistician Decision
Globalisation: Factoryless Goods Producers	The Committee agreed with the ONS' recommendation that ONS base their treatment of Factoryless Goods Producers (FGPs) on the global manufacturing basis as detailed in SNA2025 and BPM7.	April 2025	Pending
UK's adoption of industrial classifications of economic activity.	The Committee recommended that Option B NACE should be adopted to the 4 th digit level and ONS should have discretion with the 5 th digit. Any 3 rd or 4 th digit deviations the ONS wanted to make should be brought back to the Committee. NSCASE felt strongly about the impacts on international comparability and comparatively over time and felt that any proposals to deviate at the 3 rd or 4 th digit needed a strong case.	July 2024	Approved
Balance of Payments Principles Paper	The Committee recommended that the BPM7 should be adopted as the UK's default manual for Balance of Payments.	July 2024	Approved
System of National Accounts 2025 Principles Paper	The Committee recommend that the System of National Accounts 2025 should be the default international manual for the UK. NSCASE will consider in which cases the UK should diverge from the default standard after careful consideration of which best meets UK measurements needs.	Jan 2024	Approved

<p>Treatment of Non-Monetary Gold in the UK National Accounts</p>	<p>The Committee supported option 1: Revise the current treatment of NMG so that it was excluded from both net trade and acquisitions less disposals of valuables and left as a balance sheet change, effectively reflecting a change in the asset composition. This approach was consistent with other countries such as USA, Japan, and Australia which were also affected by gold trade. Changes of ownership of NMG between residents and non-residents should be recorded in the non-financial balance sheet. However, the UK did not compile balance sheets for valuables.</p> <p>One member disagreed with the majority, concerned that in seeking to resolve a presentational issue the option excluded significant transactions from the national accounts and created a statistical discrepancy in net lending/borrowing; the member proposed a potentially simpler, less conceptually challenged, solution.</p>	<p>Oct 2023</p>	<p>Approved</p>
<p>Further information on Amendments made by Eurostat to the Manual on Government Deficit and Debt (MGDD), 2022 Edition</p>	<p>The Committee supported the recommendation to adopt the MGDD 2022.</p> <p>This is with the provision that any emerging evidence of a clear diversion from UK methodology and international best practice can be brought to NSCASE as separate agenda items.</p>	<p>Jul 2023</p>	<p>Approved</p>
<p>Globalisation: an outline of subtopics to be presented to NSCASE, and an introduction to the first subtopic of 'Valuation of Imports and Exports of Goods in the International standards'</p>	<p>The Committee supported the implementation of Option 1 to follow the BPM7 guidance of retaining the current valuation of trade in goods methods and investigate feasibility of adopting valuation of imports and exports at the observed transaction value.</p>	<p>Jul 2023</p>	<p>Approved</p>

Quality adjustment of public services	The Committee agreed that existing quality adjustments should in principle be introduced into the accounts. The Committee asked to be reassured that a high level of scrutiny would be applied to the work and that the appropriate stakeholders would be consulted.	April 2023	Approved
Conceptual Methods in Prices and Volume	The Committee strongly supported the paper's proposal to use the UVI method as a preferred method in the compilation of National Accounts where appropriate.	Jan 2023	Approved
New Public Private Partnerships	The Committee agreed that the Eurostat clarification note should be adopted alongside the existing EPEC PPP guidance.	Jan 2023	Approved
Treatment of Package Holidays in Consumer Prices	The Committee agreed to advise the National Statistician to adopt option 3 'Do not implement the Eurostat methodology but continue to seek improvements to the existing methodology and data collection through the alternative data sources transformation programme.'	Jan 2023	Approved

Pending final recommendation from Committee

<p>Industrial Classifications Consultation Update</p>	<p>The Committee noted that, while the document referred to the dominance of UK requirements over international comparability, the advice offered by the Committee was likely to take international comparability into account. This meant that the issue of comparability would need to be addressed in the proposal which will be put to the Committee in Oct 2023 and April 2024.</p>	<p>Oct 2022</p>	<p>Recommendation not made to NS</p>
<p>NSCASE Introduction to Natural Capital Depletion and Consultation on SNA Guidance Note WS.6</p>	<p>An overview on Natural Capital Depletion and Consultation on SNA Guidance Note WS.6 was provided to the Committee. The ONS sought to begin to inform the Committee that a number of potentially significant changes may arrive in SNA 2025, seek their thoughts and ensure they understand the potential ramifications at least to the degree that we do. The Committee welcomed the planned further papers.</p>	<p>April 2023</p>	<p>Recommendation not made to NS</p>
<p>Potential deviation from SNA2025 on classification of emission permits</p>	<p>The SNA classified emissions permits as produced financial assets. The ONS and Committee preferred the non-produced, non-financial classification and discussed whether a deviation was warranted. The ONS asked that the Committee make a decision following ongoing user engagement that was taking place under the GFSM consultations.</p>	<p>April 2025</p>	<p>Recommendation recorded in deviation log</p>

NSCASE Log of Actions

January 22nd 2024 Meeting Actions		
Action	Status	Information
ONS to provide an update on discussions had with non-EU countries on their divergence from international manuals when possible.	In progress	The Secretariat is looking into previous research conducted by external contractor into how other countries diverge from international manuals. This will form the foundation of the update.
April 22 nd 2024 Meeting Actions		
ONS to produce paper, ideally with other NSIs, to answer the questions of how to measure well-being	To be delivered 2025.	While discussing SNA2025 draft chapter 34: measuring well-being, the Chair asked that a short paper is produced that addressed the issue of measuring well-being. He asked that other NSIs feed into this and a timetable is produced.
Secretariat to circulate Committee feedback survey for discussion in July 2024	Complete	As NSCASE is reaching its two-year anniversary, the Chair asked that Committee members, the National Statistician and ONS colleagues be given the opportunity to feedback. The Secretariat will conduct the standardised process for committees across ONS.
Formal paper on BPM7 to be brought to the Committee in July 2024	Complete	The Chair asked that a formal paper be brought to the Committee for them to evaluate and consider the adoption of BPM7 as the default methodology.
Richard Heys to share paper on measuring digitalisation	Complete	Richard agreed to circulate a paper written by Eurostat and the BEA on the satellite account and digitalisation.
Katherine Mills to clarify the treatment of mineral extraction	Complete	The Chair asked for information on the classification of mineral extraction under emissions permits.

Classifications unit to provide Committee with a list of relevant pros and cons of each option to be provided in the April SIC recommendation paper.	Complete	Classifications Unit are working on the list of pros and cons to be returned to the Committee as part of their recommendations paper at the April meeting.
October 21st 2024 Meeting Actions		
ONS paper from EEWG to be shared with Committee	Complete	The ONS presented a paper on plans for SNA implementation to the Economic Experts Working Group
January 20th 2025 Meeting Actions		
Robert Heath to share his paper on emission permits to the Committee	Complete	The paper was circulated to the Committee.
ONS to review whether use of CPI in SUTs is a deviation from SNA	Complete	Not considered a deviation.
SNA Chapters 14, 18, and 29 to come back to Committee	Complete	The ONS brought these chapters to NSCASE at the April 2025 meeting for them to consider areas for deviation.
Secretariat to summarise where the Committee propose potential deviation from the SNA	Complete	Deviation log included in April 2025 pack.
April 28th 2025 Meeting Actions		

Pending Actions (not to be added to minutes)

Action	Status	Information
Katherine Mills to provide further clarity on emissions permits and licences to extract.	Paused: Not a priority for ONS. Will return to the Committee when SNA guidance received.	Following Katherine's note on the treatment of mineral extraction, the Chair had further questions on how the ONS would deal with inconsistency between treatment of emissions permits, negative extraction of resources, and positive extraction of resources.
Provide more worked examples in future globalisation papers brought to the Committee, if possible.	In Progress: Delayed by SNA timetable (expected in April 2025)	The Chair requested more worked examples to be included in future papers to allow the committee to assess how proposed changes would impact outcomes. Feedback has been given to those drafting future papers to ensure worked examples are included where possible. These will be included in the SNA globalisation chapter papers once the chapters are released.
Globalisation team to explore the geographical impacts of EU Exit and the Irish boarder and the potential effect on the status of FGPs.	In Progress: Delayed by SNA timetable (expected in April 2025)	Philip Wales raised that there may be a rise in entities classified as factory less producers due to the changes in the Irish boarder caused by EU Exit. The globalisation team are researching the potential impact and changes arising from this and will include the update within their paper on the relevant SNA Chapters when they are released.
ONS Classifications unit to provide Committee with a list of relevant pros and cons of each option to be provided in the April recommendation paper.	Complete	Classifications Unit are working on the list of pros and cons to be returned to the Committee as part of their recommendations paper at the April meeting.
ONS to provide paper on emissions permits.	Not started (full paper when SNA chapter is released)	An IMF led workshop took place in the first week of December 2023 which reviewed the options laid out in the SNA guidance note with majority support for option 4a "Emissions Permits recorded as Financial Assets with taxes on production recorded at surrender (issuance value)". The IMF supported option 1 "Emissions Permits as non-produced non-financial assets" which Robert Heath also supported and shared a paper with the ONS outlining his position.

		<p>A second workshop took place to consider all six options. 4a was recommended to the AEG and BOPCOM and subsequently taken to the UN Statistics Commission. ONS will update the committee on the current status of emissions permits in April and bring a further paper when the chapter is released.</p>
<p>An update on Contingent Liabilities will be provided in 2025 or when contingent liabilities are published</p>	<p>Not yet started (expected in 2025)</p>	<p>Robert Heath noted paragraph 32 in the paper “Updates January 2024: The statistical recording of the Bank of England Asset Purchase Facility” stated that ONS aimed to introduce a statement for contingent liabilities with GFSM tables. He therefore asked that NSCASE be updated in around one year on this progress.</p>

NSCASE Recommendations to Deviate from International Statistical Guidance

January 2025 Meeting		
REVIEW OF PREVIOUS NSCASE ADVICE	Non-monetary gold – Deviate from SNA 2025 (No change to previous advice on non-monetary gold)	Deviate from SNA, implement option 1: revise the current treatment of NMG so that it is excluded from both net trade and acquisitions less disposables of valuables and left as a balance sheet change.
	Well-Being – Deviate from SNA 2025	ONS measures ahead of guidance
	Treatment of Package Holidays – Deviate from HICP	Deviate from HICP guidance – do not implement the Eurostat methodology but continue to seek improvements to the existing methodology and data collection through the alternative data sources transformation programme.
	Unit Value Method in Price Indices – No deviation	UVI considered as acceptable method in 2020 CPI Manual. The Committee agreed with the outlined principles of when to use UVIs
	Quality adjustment of public services – Deviation from ESA but not SNA	In line with SNA 2008 (not updated for 2025 SNA) – deviation from ESA but not SNA
SNA CHAPTERS	Return to assets in non-market outputs – Potential to deviate	Further consideration of this item by ONS needed and potential to return to the Committee with a proposal, once impact on GDP and international comparability is clearer. (4.2)
	Use of CPI for deflating consumption – Not adhering to SNA	Committee satisfied with use of CPI. Only a recommendation so not deviation (4.13)
	Ownership of natural resources – No deviation	UK raised issues with proposed methods. Supporting guidance awaited (4.21)
	Non-Market output – Potential to deviate	Awaiting final version of SNA – large amount of country dissatisfaction evident in SNA consultation exercise (4.26)
	Compilation of general government account – Potential to deviate	Pending ESA approach to government statistics, may be scope to deviate for international comparability (4.27)

	Heat pumps and solar panels as production – Potential to deviate	ONS will assess the consistency of guidance (4.31)
	Classification of radio spectrum as a national asset – Potential to deviate	Currently treated in line with ESA, ONS will consider international practice following confirmation of SNA and assess if there is a need to deviate (4.39)
	Geometric depreciation – Not a deviation	Not a deviation but using discretion as permitted in SNA (4.44)
	Emissions permits as a non-financial, non produced asset – Potential to deviate	Ongoing international discussions – UK’s preference is to record emission permits as non-financial, non-produced assets (5.4)
October 2024 Meeting		
SNA CHAPTERS	Imputing a return on schools, hospitals, motorways and general government stock – potential to deviate	Assessment of implications needed before recommendation to deviate is considered (5.21)
	Chapter 11.121-11.122 (SNA 2025) : user-generated content and capturing increased gross fixed capital investment of households – potential to deviate	ONS have been heavily involved in data as an asset work could return to NSCASE if there was potential to seek deviation (6.17-6.18)
	Increased emphasis on splitting assets – potential to deviate	Could cause problems for compilers (7.6)

Terms of Reference – National Statistician’s Committee for Advice on Standards for Economic Statistics

Overview

1. The National Statistician’s Committee for Advice on Standards for Economic Statistics (NSCASE) will play a central role in the governance of economic statistics, by supporting decisions about the international guidance used in the compilation of these statistics.

Introduction

2. At the UK Statistics Authority Board meeting on 30 September 2021, the Authority Board agreed to establish NSCASE, which would be advisory to the National Statistician.
3. NSCASE was established in June 2022. Its function is to support the National Statistician in ensuring its processes for influencing, adopting, and monitoring progress against international statistical standards are of a high standard.
4. Following NSCASE’s review of SNA25 and BPM7, UKSA has taken the opportunity to review the remit, frequency and membership of NSCASE meetings to reflect better a change in demand for its services. The resulting changed roles and responsibilities and membership are outlined below.

Roles and Responsibilities

5. On issues identified by the National Statistician, NSCASE is responsible for providing strategic, independent advice to the National Statistician on the following to produce economic statistics:
 - International standards (e.g. European System of Accounts, Government Finance Statistics),
 - Guidelines, and
 - Classifications (e.g. COICOP, COFOG.) For clarity, “classifications” here does not include the classification of public assets and liabilities.
6. Specifically, NSCASE is responsible for providing advice to the National Statistician on:
 - The suitability of international statistical standards across the Office for National Statistics (ONS) suite of economic statistics, with reference to the specific measurement needs of the UK economy as well as the need to ensure appropriate international comparability and historical continuity.
 - Areas in which the UK should deviate from specific international standards (in part or in whole), the reasons for doing so (including any negative impacts), and which standards, if any, should be followed in their place.
 - Where international standards remain in development or pend approval, but the UK would potentially benefit from beginning work on their possible implementation ahead of formal approval, advice should be given on whether the ONS should work on the assumption that these standards will be adopted, along with any initial considerations NSCASE has on which areas of the standards the UK would be advisable to deviate.

- Approaches the UK should take to influence the development of future international statistical standards and guidelines.
 - The developments and progress of the SNA research agenda, particularly those elements relevant to measuring UK economic activity.
7. Where practical, and following approval by the National Statistician, ONS will facilitate transmission of the views of NSCASE to relevant international bodies on a timescale which makes it possible for NSCASE to influence the development of international standards.
 8. Issues on standards for prices, labour market statistics and national accounts will be referred to NSCASE rather than the expert advisory committees on these issues.
 9. NSCASE will provide advice by consensus where possible or otherwise by majority vote.
 10. To facilitate timely advice, NSCASE can consider proposals via correspondence. Advice on these projects will be provided when more than fifty percent of appointed members, excluding any abstentions agree on the advice to be provided.

Reporting and Governance

11. NSCASE provides strategic advice to the National Statistician, who is also the Chief Executive of the UK Statistics Authority, leader of the Analysis Function and head of the Government Statistical Service.
12. The Chair of NSCASE provides regular, public advice to the National Statistician on Committee discussions. The National Statistician in turn responds publicly to NSCASE and decides whether specific matters need to be discussed by the UK Statistics Authority Board, in line with the provisions of the *Statistics and Registration Service Act 2007*.
13. The agenda will be prepared by the Secretariat in accordance with any determination of the National Statistician, considering input from the Chair and key stakeholders.
14. The NSCASE Secretariat will provide reports following each of its meetings to the National Statistician. At least seven days prior to its meetings, NSCASE will receive papers relevant to the meeting agenda, for example:
 - International proposals for new ONS statistical methodology or guidance, or amendments to existing standards
 - Developments and progress of the SNA research agenda, in particular those elements relevant to measuring UK economic activity.
 - Participation and contributions to relevant international statistical fora (e.g. UNSC, IMF and OECD periodical meetings and conferences) by ONS representatives.
15. Where expedited review is sought and NSCASE approve the proposal by correspondence, a minute of the discussion via correspondence will be presented at NSCASE's next meeting and published on the UK Statistics Authority website.

16. NSCASE will operate transparently. Meeting minutes and a list of projects considered will be made publicly available on the UK Statistics Authority website.
17. In alternate years, NSCASE will provide an report on its activities in the National Statistician's annual report.

Chairing

18. The Chair of NSCASE is appointed via open competition for a three-year term. Reappointment is permitted.
19. The Chair also represents NSCASE publicly, as necessary.
20. The Committee may appoint a Deputy Chair from among its members.

Membership

21. The Committee will comprise independent and trusted experts and will include:
 - The Chair of ONS's external advisory Committee on National Accounts
 - The Chair of ONS's external stakeholder advisory Committee on Prices
 - The Chair of ONS's external advisory Committee on Classifications
 - The Chair of ONS's external advisory Committee on Labour Market statistics
 - Nominated representative from the Bank of England
 - Nominated representative from His Majesty's Treasury
 - Two independent experts will be recruited to ensure the Committee has a broad range of expertise.
22. Members of the panel are appointed for fixed terms of three years, by the Chair and the National Statistician. Re-appointments are permitted. The composition of the Panel will be reviewed periodically by the Chair, in partnership with the National Statistician.
23. The role of each member of NSCASE is to participate in consideration of the full range of issues within the Committee's remit.
24. The Chair may invite other relevant experts as appropriate to advise NSCASE and/or observers to attend.
25. Substitutes will be permitted to attend meetings, either a named replacement from institutions or a member (preferably Vice-Chair) of Advisory Committees.

Meetings

26. NSCASE will meet at least twice (January and July) a year. The Chair of NSCASE may convene additional meetings as necessary.
27. NSCASE meetings will be considered quorate and able formally to approve a proposal when more than fifty percent of appointed members are present, including the Chair or the Deputy Chair.
28. For a proposal to be formally approved by correspondence agreement from more than fifty percent of appointed members is required, excluding any abstentions.

Code of Conduct

29. Committee members are expected to provide their expertise and advice on topics they are asked to consider. Members are welcome to share in advance with colleagues on a need to know basis to develop their advice within the constraints outline in the Confidentiality Undertaking which all committee members are requested to sign. If committee members wish to share a paper more widely, this can be decided by the chair of the committee on a case by case basis.
30. On occasion members could be asked to consider topics of a sensitive nature. In these instances, certain restrictions will apply. These will be clearly set out by the committee secretariat in advance of receiving any papers. Members who feel they are not able to abide with the restriction will not receive papers and will be asked not to attend the relevant meeting.

Secretariat

31. The Secretariat will be provided by representatives of the ONS's Well Being, Innovation and Productivity division.

Transparency and confidentiality

32. NSCASE will operate transparently. Meeting agenda, papers and minutes will be published shortly after each meeting. Papers that are draft versions of scheduled publications, or which include pre-released data, will not be published ahead of their scheduled dates, but the minutes will clearly state when the final documents are expected to be published. Papers that are deemed to be market sensitive will be withheld from publication.
33. Panel members will have the opportunity to comment on minutes on issues of accuracy, before their publication. The NSCASE Chair will have the final approval of minutes. Minutes will be made publicly available within six weeks of the meeting date.

Inclusion and Diversity

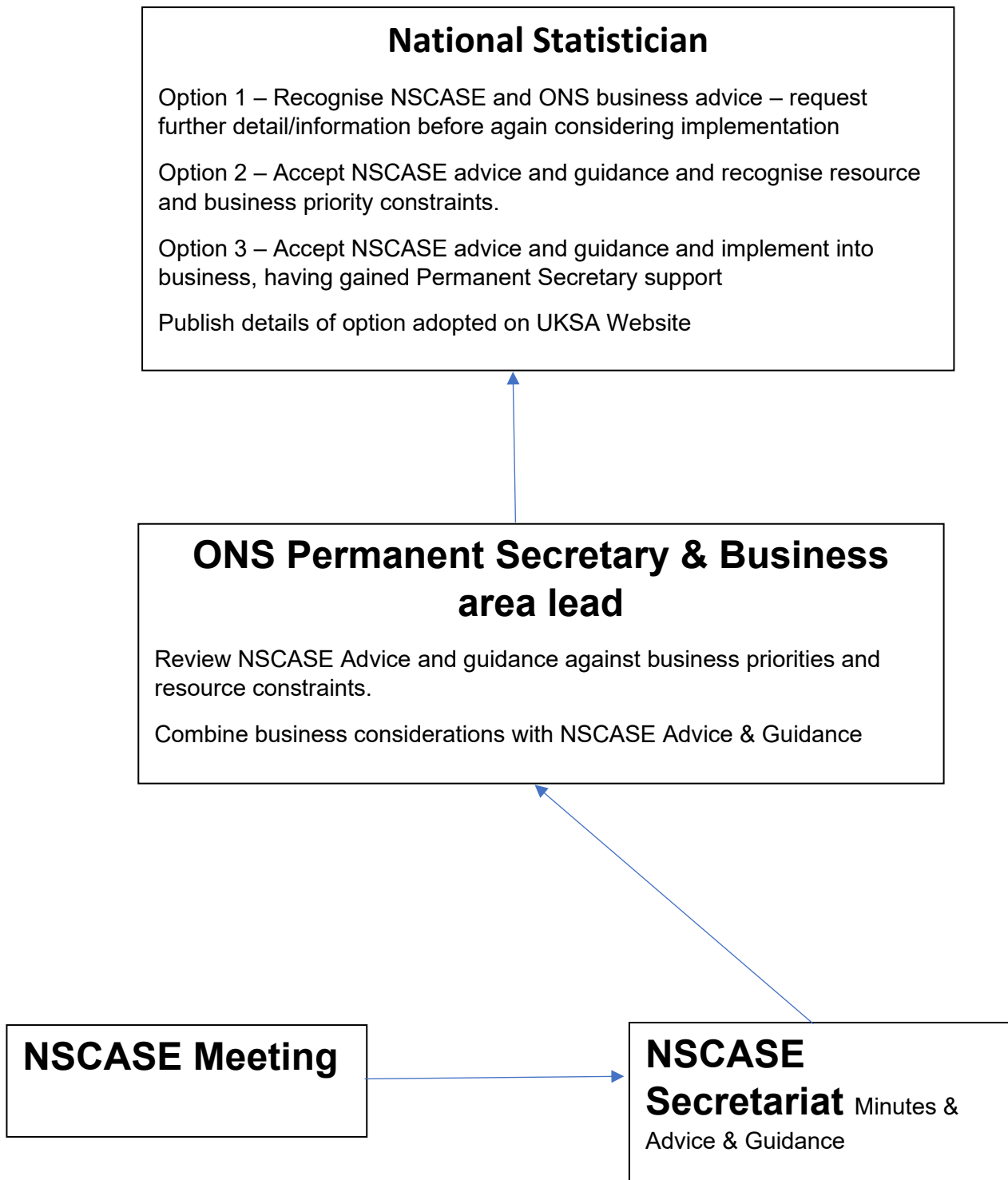
34. NSCASE are committed to promoting diversity and inclusion in the running of the committee and their advice.
35. The Committee will seek the advice and involvement of ONS's diversity networks in their work. This will include inviting representatives to attend meetings or sections of meetings, should this be relevant, and sharing minutes or papers, as agreed by the committee.
36. The Secretariat will ensure that all meetings and materials are accessible.

Review

37. The Committee will review the effectiveness of its meetings and its Terms of Reference in alternate years. These reviews are published.

June 2025.

NSCASE Decision Referral Process



National Statistician's Committee for Advice on Standards for Economic Statistics

57th Session of the UN Statistical Commission

NSCASE 26(01)

Executive summary

1. This paper seeks NSCASE's opinion on economic statistics papers scheduled for discussion at the 57th session of the UN's Statistical Commission. The UN papers cover a variety of topics ranging from National accounts and business registers and statistics through to economic accounting for the environment and climate change.
2. The purpose of NSCASE reviewing these papers is to assess the applicability of proposed statistical guidance for use in the UK and to provide an opportunity for the committee to feed-in to and influence the formulation of international statistical guidelines and the UK's contributions to discussions around these at the 57th Session.
3. Given the large volume of information scheduled for review at UNSC 2026, and the limited time available to NSCASE members, ONS requests that NSCASE prioritises its attention on subject matter which has led to debate over, or has resulted in deviation from statistical guidance, including, for example, emission permits, well-being and industrial classification.
4. As such, ONS would like the Committee's views on:
 - a. **The applicability and quality of the statistical guidance and methodologies laid out in the UN's statistical committee papers for use in measuring UK economic activity;**
 - b. **Any alternative approaches to measuring economic activity that could contribute to building on the proposals detailed in the UNSC papers.**

Introduction

5. The United Nations Statistical Committee is due to meet for its 57th annual meeting between the 3rd and 6th of March 2026. The meeting aims to build on the delivery of SNA 2025, and will consider statistical issues relevant for NSCASE, including national accounts, environmental economic accounting statistics, business and trade statistics, business registers and service statistics, environment and climate change statistics, and data and indicators for 2030 agenda for sustainable development.

National Accounts

6. The Commission will consider the report (link included in cover e-mail) of the Intersecretariat Working Group on National Accounts. The report, sets out progress in implementing the 2025 System of National Accounts (2025 SNA), including the preparation of compilation guidance to support its implementation, and progress on the editing and printing of the 2025 SNA and the post-2025 SNA research agenda.

The report also provides an update on the scope and timeliness of the implementation of the SNA at the country level.

7. The Commission is asked to provide guidance on the elements of the programme of work of the Working Group.

Environmental economic accounting

8. The Commission will consider the report (link included in cover e-mail) of the Committee of Experts on Environmental-Economic Accounting. The report provides information on the update of the System of Environmental Economic Accounting Central Framework, covering the development of guidance notes, outreach activities to inform compilers and users, and coordination with the revision of related economic statistical standards. The Committee also presents updates on its working groups on coordination and communication, methodological development, development of global databases, and implementation and statistical capacity-building. It further reports on activities of related groups and progress in the implementation of the Statistics Division's project on compiling indicators for the biodiversity monitoring framework.
9. The Commission is invited to express its views and provide guidance on the progress of work related to the update of the System of Environmental-Economic Accounting Central Framework, as well as on the broader work programme on environmental accounting, as described in the report.

Business and trade statistics, business registers and service statistics

10. The Commission will consider the joint report (link included in cover e-mail) of the Committee of Experts on Business and Trade Statistics, the Wiesbaden Group on Business Registers, and the Voorburg Group on Service Statistics. The report describes the finalization of updated guidance on international merchandise and trade in services statistics and the 2nd volume of the Manual on the Principal Indicators for Business and Trade Statistics.
11. The Commission will consider the report recommendations to: (a) Endorse the International Merchandise Trade Statistics, Concepts and Definitions (IMTS 2026); (b) Endorse the Manual on Statistics of International Trade in Services (MSITS 2026); (c) Endorse the 2nd volume of the Manual on the Principal Indicators for Business and Trade Statistics (d) Support the establishment of the Task Team on Industry Statistics under the Committee of Experts and endorse its terms of reference, (e) express its views on research topics on the revision of the industry statistics manual and on the progress of the global initiative on unique identifiers for businesses; (f) Support the development of the handbook on business statistics; and (g) take note of the past activities and provide guidance on the elements of the work programme of the Committee of Experts, Wiesbaden Group and Voorburg Group.

Environment and climate change statistics

12. The Commission will consider the report (link included in cover e-mail) of the Secretary-General on environment and climate change statistics. The report provides

an overview of the consolidated work programme conducted by the Statistics Division in collaboration with the restructured Expert Group on Environment and Climate Change Statistics. The report describes the outcomes of the twelfth meeting of the Expert Group and contains updates on communication and coordination, data collection and on the implementation of the Global Set of Climate Change Statistics and Indicators and on the Framework for the Development of Environment Statistics. Improvements to methodologies for climate and health indicators are presented and needs for capacity development are highlighted.

13. The Commission will consider the report recommendations to express its views on the work programme of the restructured Expert Group on Environment and Climate Change Statistics as reflected in its updated terms of reference.

Data governance, and data and indicators for 2030 agenda for sustainable development

14. The Commission will consider the joint report (link included in cover e-mail) of the Interagency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs) and the High-level Group for Partnership, Coordination and Capacity-Building for Statistics for the 2030 Agenda for Sustainable Development (HLG-PCCB). The report provides a summary of activities undertaken in 2025 by the two groups, including: a) tier classification updates and indicator refinements of the global SDG indicator framework; b) activities of the IAEG-SDGs working groups and task teams on lessons learned; c) preparations for the sixth United Nations World Data Forum (UNWDF) and evaluation plans; and d) implementation of the Medellin Framework for Sustainable Development Data and outcomes from the fourth Financing for Development Conference (FfD4).
15. The Commission is invited to: (a) Approve the work programmes of both groups for 2026; (b) approve the indicator refinements; (c) Express its view on the task team on lessons learned; (d) Express its views on the preparations for the 6th UNWDF; and (e) Endorse the strategy for implementing the Medellin Framework and the outcomes of the FfD4. The Commission will also have before it, for discussion and decision, the report of the Secretary General on the work by the Statistics Division, in cooperation with other entities of the United Nations system, in support of the 2030 Agenda.

Well-being measurement

16. The Commission will consider the report (link included in cover e-mail) of the Expert Group on Well-being Measurement. The Statistical Commission decision 55/108 endorsed the creation of the Expert Group on Well-being Measurement (EGWM) to take forward recommendations to produce a Framework of Inclusive and Sustainable Well-being (FISW) guidance document (E/CN.3/2024/10). Pursuant to decision 56/111 of the Statistical Commission, the EGWM reports directly to the Statistical Commission). This report provides an overview of the EGWM's membership, its collaborative working with other organizations and experts, its delivery of its 2025 programme of work, and the proposed 2026 programme of work.
17. The Statistical Commission is invited to: (a) Express its views on the Expert Group's activities in 2025, (b) Endorse its work programme for 2026, and (c) endorse with the distribution of draft chapters of the FISW for global consultation in 2026-27.

ONS Considerations

18. In addition to NSCASE's review of the March 2026 UNSC papers, ONS requests that the NSCASE prioritises its time on areas where either NSCASE is considering deviation from SNA 2025, or where deviation from SNA 2025 has previously been agreed.
19. This means NSCASE should give additional focus to UNSC papers relating to Emission permits (tabled for review under NSCASE agenda item 2), papers focussed on Well-being measurement (previously agreed deviation from SNA 2025) and the report on business and trade statistics, business registers and service statistics, in line with the NSCASE agenda item on requested deviations to the NSCASE industrial classification rule of 4 digit NACE (agenda item 6).

ONS Concerns

20. Communicating and managing any changes to NSCASE's published statistical guidance deviations with internal and external stakeholders, when considering the content of new statistical reports and proposals scheduled for discussion at UNSC 2026.

National Statistician's Committee for Advice on Standards for Economic Statistics

Emission Permits Committee for Advice on Standards for Economic Statistics

NSCASE 26(02)

Executive summary

21. This paper seeks NSCASE's opinion on the optimal statistical classification and treatment of emission permits. ONS currently follow SNA 2025 emission permit guidance, treating emission permits as financial assets. ONS's approach achieves statistical alignment with other statistical manuals, such as the IMF's Government manual on financial statistics.
22. Recent discussions with partner NSIs in the US, China and Europe revealed an appetite to deviate from SNA guidance. At a recent Balance of Payments Working Group meeting, Eurostat presented an alternative European approach for recording transactions under the EU Emission Trading schemes.
23. UNSC and IMF forthcoming reviews of the treatment of emission permits, presents NSCASE with the opportunity to complete its own conceptual assessment of the UK's approach, and to concurrently feed into the international statistical debate on these permits.
24. As such, ONS would like the Committee's views on:
 - a. **The optimal treatment of emission permits for the UK as an input into the international debate on the treatment of such permits.**
 - b. **If there are any other areas of concern the ONS should be made aware of ahead of March's UNSC 2026 meeting and the ongoing IMF's consultation on the treatment of emissions permits.**

Introduction

25. NSCASE has considered ONS's position on the treatment of emission permits several times. Over the last two years, the committee has examined the appropriateness of following SNA 2025 guidance to treat these permits as financial assets against the alternative of treating such permits as non-produced non-financial assets.
26. Conflicting ONS and stakeholder priorities however, has ensured that NSCASE's consideration of SNA 2025 emission permits guidance has yet to be finalised.
27. Recent discussions with representatives from other NSI's, including the US, China and Europe, revealed intentions not to follow SNA 2025 guidance in treating emission permits as a financial asset.

ONS Considerations

28. At the April 2024 NSCASE meeting, the committee discussed emissions guidance proffered by SNA 2025 during the UN's consultation process as set out in Annex A. At this time SNA guidance to treat emission permits as financial asset was not the UK's preferred approach to the categorisation of emissions permits.
29. ONS and its key stakeholder at His Majesty's Treasury wished to see emission permits treated as non-produced non-financial assets given public sector balance sheet considerations.
30. Latterly however, ONS decided it was sensible to follow SNA guidance, as the SNA 2025 manual is aligned with other statistical manuals, such as the IMF Government Finance Statistics Manual, which is currently in its consultation period relating to the release of an update in 2027.
31. At a recent IMF Committee on Balance of Payments statistics in October 2025 however, it became clear that several other countries had similar concerns around the application of SNA 2025 emission permit guidance as those held initially by ONS. Several European countries indicated that, as part of the next edition of the European System of Accounts, that guidance on emission permits would not necessarily be aligned with SNA 2025. At a Balance of Payments Working Group meeting in December 2025, Eurostat presented an alternative European approach for recording transactions under the EU Emission Trading schemes.
32. An outcome of the October IMF meeting was to appoint a task-team (ONS expect to be asked to participate) to review the methodological approach for treating emission permits. NSCASE and ONS will need to review the conclusions of this task-team before making final decisions on potential deviations from SNA 2025 guidance.
33. While the outcome of the task-team is awaited, there is an opportunity for NSCASE to review the conceptual treatment of emission permits, to ensure that the committee feeds into and influences the formulation of international statistical standards.
34. To propagate the committee's discussion, SNA 2025 permit guidance is included at Annex A, along with a note from a prior NSCASE committee member Robert Heath, on the classification of tradeable emission permits. For context, the responses to the UN's SNA 2025 consultation relating to emission permits are included at Annex C.

ONS Concerns

35. On a practical level, the UK is in a relatively advantageous position due to the integrated nature of its economic statistics, whereby a single version of administrative data on auctions and permit surrender is used not only in Government Financial Statistics but also in the National Accounts and BOP; this avoids timing asymmetries arising from the use of IFRS-based business accounts with its own distinct accrual methodology.
36. Any move away from 2025 SNA guidance, threatens the integrated nature of the UK economic statistics and the asymmetry achieved through treating emission permits as a financial asset.

Annex A - SNA Chapter 27: Contracts, leases, licenses and permits (Permissions to use the environment as a sink)

37. 27.77 Governments are increasingly issuing emission permits as a means of controlling total emissions. An emissions permit (cap-and-trade) system is a flexible market mechanism that establishes a maximum level of pollution – a cap. Companies must have a permit to cover each unit of pollution they produce. Each permit stipulates the amount of emissions, for example greenhouse gases) that can be emitted (the quota). As such, each company must have a permit with a sufficient quota of units of emissions to cover their needs.
38. 27.78 In the initial stages of some cap-and-trade schemes, permits are given to non-financial corporations freely. As a result, firms do not incur any additional production costs, unless they exceed their quota and are required to purchase additional permits from others. Increasingly, however, governments are auctioning permits rather than giving them freely. In these auctions, the purchase of a permit is not restricted to the emitting unit – permits can be purchased by any market participant – individuals, investors, governments, non-profit institutions, financial and non-financial companies.
39. 27.79 Nonetheless, the schemes are structured primarily for non-financial corporations, who are most likely to emit. If companies exceed their quota of emissions, they can purchase unused permits from others, adjust their production or in the longer-term, install technology that reduces emissions. Depending on the adaptability of firms' production functions, some firms will be able to adjust to the limits more easily than others.
40. 27.80 The recommended approach for recording emission permit systems in the integrated framework of the SNA is to record the issuing of the emissions permit as a financial asset/liability valued at the auction price. Thus, the issuance of permits is regarded as the purchase of a financial asset – accounts receivable/payable – where the payment grants the acquirer the right to emit a pre-specified quantity of emissions sometime in the future. This approach aligns with the recording of permits in company financial statements where the emitting corporation incurs an expense at the time of surrender of the permit, which impacts their net lending/borrowing. In the treatment of the integrated framework, when the company surrenders the permit, it is recorded as taxes on production. Any change in price from the issuance date is "written off" in the revaluation account each time there is a transaction. This ensures that the flow of taxes will always reflect the original issuing price and not the current exchange value of the permit which could include holding gains or losses.
41. 27.81 Emission permits provided freely to corporations do not have an associated tax cashflow. If taxes are maintained at issuance price (i.e., at zero), this implies that freely provided emission permits have zero value. In so doing, emission permits auctioned or provided freely will follow the actual cash revenue received by governments. However, the exchange value of emission permits (including freely provided ones) is clearly not zero. When emission permits are transacted amongst corporations, domestically or with non-residents, they should be recorded in the accounts. If a corporation exceeds its quota and requires additional permits, it will purchase them from the market, some of which could have been initially provided freely. Although there are good arguments that could be considered for emission

permits issued freely to be assigned a value, it may be difficult to consistently assign values and countries may need to resort to imputations. Given the complexity, conceptual and practical difficulties, and notwithstanding the need for imputations, compilers should preferably not record any asset/liability for freely issued emission permits, and instead revalue them back to zero every time there is a transaction with an emission permit that was freely issued.

42. 27.82 It is important for users to be able to easily identify all transactions of emission permits in the accounts. In order for emission permits to be visible, it is recommended that a separate classification for emission permits be assigned that aligns with the new classifications of flows and stocks.
43. 27.83 Methodologies and assumptions are needed to allow for time of recording, valuation, and other adjustments. It is assumed that the time the emission permit is surrendered corresponds to the time that emissions occurred. This assumption implies that the payments for emission permits issued by the government in year t will be recorded as tax revenue in year $t+n$, i.e., the year the emission permit is surrendered. Adjustments are also needed to align corporate expenses reported in business accounts with government revenue and to record cross-border transactions and stocks in relation to international or multi-country permit schemes/arrangements, such as the European Union Emission Trading Scheme (EU ETS).
44. 27.84 To illustrate these concepts the following numerical example is provided. The starting point for the numerical example is that corporation A and corporation B have liquid assets (currency) of 1,000 and 1,500, respectively. The government then issues 100 emission permits at a price of 10 each. The recording of the purchase of these permits by corporation A is rather straightforward. Government receives cash of 1,000 with the equivalent increase of liabilities (other accounts receivable/payable) representing the prepaid taxes on production, while corporation A pays 1,000 in cash with a concomitant increase in claims towards the government.
45. 27.85 Next corporation A sells the permits to corporation B at a price of 15 for each permit. To arrive at an appropriate recording, the claims are first revalued from 1,000 ($= 100 * 10$) to 1,500 ($= 100 * 15$), after which the claims are sold at the agreed exchange price, in exchange for cash, to corporation B. At this point the value of the financial claims of the government differs from the value of the corresponding claims in the books of corporation B. Since the treatment is that the value in the government accounts does not change (consistent with the surrender of the permits being recorded at issuance prices at a later moment in time), the claims in the books of corporation B need to be revalued downwards. In the last stage of the example, half of the permits are surrendered, to be recorded as taxes on production with a counterpart decrease in the value of the financial claims.
46. 27.86 It is noted that where emissions concern emissions to the atmosphere, an alternative recording may be envisaged if the atmosphere itself would be treated as an asset (which is not the case in the integrated framework of the SNA). The research agenda of the 2025 SNA includes further consideration of the treatment of the atmosphere as an asset and, depending on the outcomes of that research, the treatment of emission permits may be revisited.

47. 27.87 Governments may also issue permissions to use the environment as sink without the use of trading schemes as described above. Payments may be made for these permissions. To describe the different ways of treating the payments, the case of payments for discharging water may be considered as an example. Four alternatives are possible:

- A. If a payment to discharge water is a fine intended to inhibit discharge, it should be treated as a fine.
- B. If a limited number of permits is issued with the intent to restrict discharges, the payment should be treated as a tax if the medium into which the water is discharged is not regarded as an asset in the integrated framework of the SNA.
- C. If the discharge medium is an asset and the necessary conditions are met concerning the terms on which the discharge is permitted, then the payment for the permit should be treated in the same way as the payment for a licence to use the radio spectrum for mobile phones.
- D. If the payment is linked to remedial action, then it is treated as a tax.

Annex B - Classification of Tradable Emission Permits – Robert Heath

Summary

48. Rather than being classified as a financial asset, as set out in the draft 2025 SNA, tradable emission permits should be classified as non-produced non-financial assets, appearing through OCVA in the government accounts, who then sell the permits, which are held (and perhaps sold) as assets by an institutional unit (IU) with an OCVA entry recorded by the IO at surrender.

Why non-produced non- financial asset?

49. The economic reality is that the government is creating an asset without a liability that is a construct of society, not a produced asset, which it sells to the IU. The IU has the right to pollute up to the limits provided by the emission permit.
50. Through selling tradable permits the government creates a market in pollution, letting the market decide the cost of pollution: that is, the government decides the amount of pollution that is acceptable through the number of tradable emission permits it sells, and lets the market decide the cost. This is very different from imposing a tax on a polluter in which case the government sets the level of the tax but does not control the amount of pollution because it cannot know what level of tax would achieve what level of pollution.
51. If the payment by the IU is not tradable but simply a payment that allows an entity to pollute it is a tax as no asset is created. It is a prepayment to pollute.

Why not the draft 2025 SNA treatment?

52. The draft 2025 SNA records an emission permit as pre-paid taxes, a financial liability of the government. The chain of transactions and other flows to be recorded are:
- A. IU (1) pre-pays taxes to government with cash, recorded as accounts receivable (IO)/accounts payable (government);
 - B. when traded, IU (2) pays cash to IU (1) to purchase the permit whose value comprises pre-paid taxes and any change in the value of the permit;
 - C. IU (2) records the change in value as a reverse valuation flow so the permit is valued at issue price on its balance sheet; and
 - D. IU (2) pays taxes to government on surrender through an inputted transaction equal to the issue price, and records a reverse valuation flow for the remaining value of the permit.

See paragraphs 12.144 and 27.78.

53. In my view, this treatment contradicts basic principles set out in the draft 2025 SNA and is inconsistent with some economic principles.

SNA principles

54. There is no tax. The payment by IU (1) to the government does not meet the draft 2025 SNA definition of a tax as “compulsory, unrequited payments, in cash or kind

.... the government provides nothing directly in return to the individual unit making the payment,” (2025 SNA 8.72). Rather the IU (1) acquires a marketable asset.

55. It is true the draft 2025 SNA (30.90 (a)) states that a payment for a government license, other than one to use a natural resource asset, is a tax but the text does not discuss tradable licenses. This guidance makes sense if the license is not traded, but if traded, no tax liability is established on IU (2), as it has a permit giving it the right to pollute
56. The market price principle is contravened. The draft 2025 SNA is clear: “when they are exchanged on a market, assets and liabilities are to be valued by a set of prices that are current on the date to which the balance sheet relates” (paragraph 4.163). The draft guidance on traded emission permits (paragraph 14.101) directly contradicts this basic principle: that tradable instruments should be valued at market prices.
57. Surrendering a permit is not an economic transaction. Surrendering a permit does not meet the draft 2025 SNA definition of a transaction: “is an economic flow that is an interaction between institutional units” (paragraph 4.7). The government and IU (2) do not interact in any economic meaningful way at surrender. The only economic meaningful interaction is between the government and IU (1) when the permit is purchased.

Economic Principles

58. Selling a marketable asset does not increase debt. Under the draft guidance when the government sells the marketable asset (permit) it increases its debt (other accounts payable). This does not make economic sense as a sale of a marketable asset involves an exchange of assets not an increase in the debt of the seller.
59. Creditors do not pay debtors to extinguish a financial liability. Under the draft guidance the government has a financial liability (other accounts payable) but when the permit is surrendered, receives an inputted payment (tax revenue) from the IU (2) creditor. This does not make economic sense as debtors repay creditors, not vice versa.

Robert Heath

January 2025

Annex C - UN SNA 2025 consultation comments on emission permits

European Central Bank

60. The recommendations on emission permits (27.75 to 27.85) do not address the cases of multi-country trading schemes for those permits. The treatment of those schemes will have to be developed regionally (for instance in the European System of Accounts in Europe) consistently with the SNA. It would then be important that the SNA doesn't close any door that might be needed to accommodate highly developed secondary markets. Therefore, it would be preferable that the wording is more open to the possibility of market valuation, including for permits allocated for free.

Netherlands

61. 27.79 Under the EU ETS, shares of freely provided emission permits are still substantive. In this way businesses in manufacturing industry are granted a transition period in which to adapt to carbon pricing. The 2025 SNA may argue that freely provided permits have zero value. But that is beyond reality. The reality is they do have a market value. And for that reason it is difficult to imagine the 2025 SNA recommends to simply ignore the underlying transaction of such transfers in kind. If a permit with a positive market is provided for free by a government to a corporation, this event constitutes in fact a capital transfer. If the intention of the 2025 SNA is to ignore such transfers, the reasons behind such choice should at least be motivated and explained explicitly. Sorry, but I cannot resist to mention that from a carbon tax analysis point of view, the 2025 SNA guidance on pollution permits is second-best.

OECD

62. 27.52: Does this refer to any situation where a licence is recognized (so also under 27.51)?
63. 27.55: It may need to be specified what type of asset is referred to when speaking about "such that a sale of an asset is recorded" as this seems to be a different type of asset that is referred to when speaking about "then a separate asset, described as a permit to use a natural resource, is established". And it is not clear how this text relates to the three options presented in 27.16, as in case of the first option there is just an outright sale of the asset itself and no creation of a licence or did we misunderstand?
64. 27.59 and 27.60: Some further explanation could be added how the depletion costs are obtained. It may also be considered to just focus on explaining the splitting of ownership, assuming no depletion?
65. 27.81: Please specify what n refers to in 'year t+n'.



66. 27.84: It would be good to reiterate that the atmosphere is not considered an asset in the SNA, and hence that we are treating emission permits here as permission to undertake an activity, instead of a right to use a natural resource. In that regard, it would also be better to refer to “permissions to generate air emissions” instead of “permissions to use the environment as a sink”, particularly also as the use of the word sink goes against SEEA.
67. 27.95: Reference is made to the fact that these assets should only be recorded ”when the lessee does actually exercise their right to realize the price difference”. Why do we not simply call them ‘marketed operating leases’ in that case? ‘Marketable’ clearly implies a potential, not necessarily an actual use.

Germany

68. 27.55 Please elaborate more on permits to use natural resources to be classified as contracts, leases and licences. This para refers to criteria in section C (but there are many), so it would be useful to refer to concrete ones
69. In addition, do we understand well that this treatment is now restricted to cases of land and radio spectra? Please clarify why fish and timber were excluded.
70. Finally, please check the current version of the Glossary for 2025 SNA for permits to use natural resources as follows: *“Third-party property rights relating to natural resources, which are transferable. An example is where a person holds a fishing quota and they are able, both legally and practically, to sell this to another person, SNA code AN.212”*.



**National Statistician's Committee for Advice on Standards for Economic
Statistics**

SNA Research Agenda

Oral Update

Sanjiv Mahajan (AEG/SNA Editor perspective)

Richard Heys (ONS perspective)



**National Statistician's Committee for Advice on Standards for Economic
Statistics**

NSCASE 26(03)

SIC Revision Framework – Deviations from 4 digit NACE

**Paper to follow on the 13th of January, following final consultation meeting
with users**