

Abstract for “SNA 2008 Implementation Issues with the Capitalisation of Research and Development”

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The implementation of the capitalisation of research and development in Europe has raised conceptual and measurement issues. The drawing up of guidance for Member States of the European Union on how best to introduce the change has generated useful lessons for producers of national accounts. The paper considers different aspects of the problem, from the treatment of embedded products, measurement of a return to capital for the assets, the usefulness of international classifications for both licence fees and transfer of ownership, and the sources that can be used. The paper considers the nature of payments for the use of intellectual property, and how the general agreement that there is no wear and tear in intellectual property clashes with the concept of capital services in real terms.