



EUROPEAN COMMISSION



EUROSTAT

Directorate C: National and European Accounts

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Istituto Nazionale di Statistica  
Ms Alfonsina Caricchia  
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**Subject: Operations undertaken by ANAS**  
**Your letters dated 23 December 2005 and 15 February 2006**  
**Our letter No. 30013 dated 9 February 2006**

Dear Ms Caricchia,

Thank you for the additional explanations given in your letter dated 15 February 2006. Eurostat is asked to provide a methodological advice on how to record in national accounts the sale of a highway concession from ANAS (Italian National Road Company) to ATI (Strada dei Parchi) in 2003. Previously, in 2002, a 30 year concession had been given to ANAS by the Ministry of Infrastructure (MIT) for managing the A24 and A25 highways, without any payment from ANAS to government. ANAS is a unit classified inside general government and ATI is a private operator.

In addition, ISTAT has informed Eurostat that a planned securitisation operation was cancelled. ANAS had intended to securitize during 2005 the receivable toward ATI (749 million euro) through a Special Purpose Vehicle. Due to the fact that the rules for securitisation operations are currently being discussed in a Task-Force created for this purpose and due to the fact that Eurostat provides advice on securitisation operations only after examination of an actual draft contract, Eurostat would like to reserve its opinion for a later stage.

According to the additional explanations provided to Eurostat, the A24 and A25 highway concession consists of the exclusive right to receive revenue (deriving from tolls) from the use of an asset – the highway – and was together with other concessions, recognized in the own bookkeeping of ANAS as an intangible asset only at moment of the sale, because it were such sales of A24 and A25 highway concession to a third party that provided evidence of their value. ISTAT plans to record in national accounts in 2003 the appearance of an asset in the books of ANAS by way of an other change in volume and its subsequent sale for an amount corresponding to 749 million euro, i.e. the price paid by the private entity to ANAS.

In Eurostat view's, the appropriate basis for recording this operation is ESA95 Manual on government deficit and debt (section IV 2.d, where payments for concessions on fixed assets or on tangible non produced assets, for a period of less than their economic lifetime) are recorded as sales of services or rent.

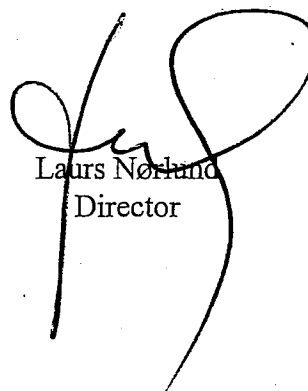
The lease of a fixed asset can give rise, when transferable, to the appearance of an intangible non-produced asset in the books of the lessee by way of an other change in volume (see ESA95, 6.17d) that may be later on disposed of, with the recording of disposal of an intangible non-produced asset for payments made to the original or subsequent tenants or lessees when the leases or concessions are sold or transferred to other institutional units (see ESA95, 6.12). However, the transaction in 2003 cannot benefit from this provision of ESA 6.12, because the independent value gained by a transferable contract (the lease) must reflect changes in market conditions, whereas here we consider that the gain reflects the fact that ANAS acquired a lease free of charge.

In Eurostat's view, since ANAS did not pay a fee for the acquisition of the right to exploit the highways because the asset (highway and land) continues to be owned by the Italian State and ANAS is not anymore in a position to directly exploit that right, this will imply that an intangible non-produced asset of a transferable contract kind (AN.222) can only be recorded in the balance sheet of the private entity which can exploit the asset. Eurostat views the transaction as the direct granting of a concession by the Italian State to the private entity, and not a secondary resale. Thus ANAS is seen as simply an intermediary.

This would mean recording the following transactions and other economic flows:

- A financial transaction between the private operator and the Italian State in 2003 for a prepayment of rentals or rents (depending on which, between the highway fixed asset or the underlying land, is seen as having greatest value) of EUR 749 million, and accrued annual government revenue (rentals or rents) from the private operator to the Italian State over the 30 year life of the contract.
- A transferable contract in the national accounts balance sheet of the private operator appearing by way of other change in volume

Yours sincerely,



Laurs Nørland  
Director