

**Fees on Securities Lending and Reversible Gold Transactions**

SNA Update Issue 43c

BOPCOM Outcomes on Questions/Points for Discussion

**IV. Points for discussion**

1. *What are the views of AEG members concerning the three alternatives considered by the TG-RT for the treatment of the fees associated to securities lending and reversible gold transactions, namely:*

- (i) *Treatment as investment (property) income;*
- (ii) *Treatment as financial service;*
- (iii) *Blended approach whereby it would be treated as financial services if the “lender” were a financial intermediary, and as investment (property) income in all other cases.*

***The IMF Committee on Balance of Payments Statistics decided that the fee on securities lending should be treated as property income.***

***The Committee decided that the fee on gold lending should be treated as a service if the gold were lent from allocated gold, and as property income if lent from a financial asset (unallocated gold or monetary gold).***

***The Committee also noted that the payment of the fee may be made to the custodian. This payment represents a short-circuiting of the payment of the property income to the security owner, who would pay the custodian for the provision of a financial service. The Committee asked the IMF and the OECD to do further work to determine which type of service (financial intermediation or other financial services).***

2. *If treated as investment (property) income, under which category should securities and gold lending fees be included—interest, dividends, or some other category?*

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