

Supplement to SNA/M1.05 /11.1

**TREATMENT OF INTEREST ON INDEX-LINKED DEBT INSTRUMENTS**

SNA Update Issue 43b

BOPCOM Outcomes on Questions/Points for Discussion

**V. Points for discussion**

*Which alternative, among the four presented in the Executive Summary, do the members prefer?*

*Views in the IMF Committee on Balance of Payments Statistics were evenly divided between maintaining the current 1993 SNA approach (as described in 1993 SNA para. 7.104) or adopting the modified debtor approach (i.e., interest accruals are determined by fixing the rate of accrual at the time of issue and treating any deviation of the index from the expected path as holding gains/losses). Given this, the Committee decided to retain the existing 1993 SNA treatment of interest on index-linked instruments.*