

**Updating of the SNA-93,
issue 6a: FINANCIAL SERVICES OUTPUT (non-insurance)**

Proposal to the Advisory Expert Group (AEG) of 02/2004:

- New definition of output of financial services (non-insurance) based on risk management instead of financial intermediation.
- Include in financial services also the results from own funds and hence include money lenders under financial services.
- Introduce the reference rate approach into the SNA.

German opinion:

We welcome the work of the Task Force "Financial Services". However, the work seems not finished and no formal AEG-recommendation is presented. Therefore our comments are tentative:

As far as our experience goes (see FISIM discussion in the EU) the discussion will lead to unsolvable problems. The key question is hidden under "Outstanding items":
Allocation of the value of indirectly –priced production to other institutional units.

The European discussion has shown that in fact banks understand the revenue from holding bonds and shares (including holding gains) and issuing bank bonds as part of their normal business. But no reasonable allocation mechanism could be found. Exactly this is the reason why in Europe it was decided to restrict the "bank production" to loans and deposits.

We have the general feeling, that this new approach to measure the output of certain financial services could imply a major change of the SNA-93, which is in contrast to the revision principles accepted by the Statistical Commission.

issue 6b: ALLOCATION OF THE OUTPUT OF CENTRAL BANKS

Proposal to the Advisory Expert Group (AEG) of 02/2004:

- Accept the measurement of central banks output by adding costs.

German opinion:

We welcome this proposal, as long as a central bank is not to be considered as part of the general government sector.