

Abcdefg

Zurich, 28 September 2004

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Comments on 1993 SNA Updating Issues

The Swiss National Bank welcomes the objective of the update of SNB 1993 for a better reflection of economic reality in national accounts. As a country with a large financial industry, we especially support the proposals of the Advisory Expert Group to bring the measurement of the production of financial services into line with the current development of the financial industry.

Item 6 Financial Services

Definition of the production boundary of non-insurance financial services

We support the view that the production boundary for delimitating non-insurance financial services has to be broadened to give a more realistic picture on the size of financial service production. The present definition of the intermediation activity does no more capture the actual activity of a financial corporation. We therefore support the change of emphasis in the definition from the intermediation to the production of financial services.

Application of a reference rate to calculate implicitly priced services

We also favour the use of a reference rate to calculate implicitly priced services in the loan and deposit business (FISIM). However, we think that no single reference rate should be recommended. Instead we would favour the use of the appropriate rates depending on the circumstances, i.e. the interest rate level.

We also favour the inclusion of all sources of funds for the calculation of FISIM, i.e. own funds should also be considered as a source which give rise to financial services.

Coverage of implicitly priced financial services

The reasoning for including implicitly priced services in the loan and deposit business should be extended to other financial instruments for which no explicit service fee is charged. Foreign exchange, securities, derivative instruments are examples in kind where the spread between buying and selling price may reflect the service charge. However, we think that from this type of

margin business unsystematic capital gains should be distinguished and excluded from the calculation of financial services.

Allocation of the output of central banks

Concerning the output of central banks we support the proposal that output should be measured at cost if otherwise output would become negative or extremely large due to the special nature of the central bank business. However, central banks should continue belonging to the financial sector and not being part of the government sector.