

Towards BPM7 and 2025 SNA

Issue note on action point A.9:
Consistency in measuring the output
of central banks

Outcomes of global consultation

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Meeting of the Advisory Expert Group (AEG) on National Accounts
10 – 13 July 2023

Some details on the procedure

- Issue note discussed at the **March meeting of the AEG**
- **Global consultation** started on 22 May 2023, and was closed on 20 June 2023
- **62 responses**, participation by a diverse group of countries

Q1. To remove, for conceptual reasons, the references to FISIM from the estimation of central bank output

• **Yes: 55** **No: 6** **Unsure: 1**

- The reasons mentioned in support of the recommendation are very much in line with the rationale provided in the issue note
- In addition: problems of measuring FISIM for central banks, and consistency with ESA
- One respondent disagreeing with recommendation would like to have central bank interest rates adjusted to market-equivalent rates; another would like to retain FISIM for conceptual reasons
- **Conclusion: Recommendation to be endorsed**

Q2. To update the guidance regarding the typical services provided by central banks, by also recognising other services, for instance those related to promoting financial stability and managing the payments system. In doing so, the possible existence of other services provided by central banks will also be acknowledged

- **Yes: 55 No: 1 Unsure: 5**
- Respondents in support of the recommendation noted that it would provide an improved picture of the services provided by central banks, but also noted that central banks may provide other services as well
- Unsure respondents that the scope of promoting financial stability is not entirely clear, while another respondent expressed concerns about opening the door for virtually endless additions of services
- **Conclusion: Recommendation to be endorsed, but also keep the formulation flexible, to allow for the inclusion of other services, and to allow for recognition of differences across countries**

Q3. To treat all services provided by central banks as collective services, to be valued at the sum of costs

- **Yes: 58** **No: 3** **Unsure: 1**
- Respondents in support of the recommendation noted that most central bank services are indeed aimed at meeting public needs and demands; and that it is a rational, simple and pragmatic way to measure the output of central banks
- Two respondents explicitly mentioned that central banks may also provide market services, while another mentioned the need of providing clarity on the classification of central banks as part of the financial corporations' sector, although they provide non-market services
- **Conclusion: Recommendation to be endorsed, but also recognise the possible existence of market services and the classification of central banks**

Q4. In relation to the way of recording non-market output of the central bank and related income transfers, please indicate your preferred option

Four options put forward:

- **Option B3:** Recording of the actual payments as current transfers to the central bank, while collective services (equal to total output) are allocated to the central bank (recommended) **38**
- **Option A1:** Recording of the actual payments as purchases of services, while the resulting collective services (after deduction of the sales) are allocated to government, requiring a concomitant current transfer from the central bank to government (in line with the 2008 SNA) **5**
- **Option A2:** Recording of the actual payments as purchases of services by the financial corporations' sector, while the remaining collective services (after deduction of the sales) are allocated to the financial corporations' sector, requiring a concomitant current transfer from the central bank to the relevant financial corporations (in line with ESA 2010) **5**
- **Option C1:** Recording of the actual payments as taxes paid to government, while the collective services (equal to total output) are allocated to government, thus requiring a concomitant current transfer from the central bank to government for the balance of the two transactions **3**
- **Unsure and no response:** **11**

Q4. In relation to the way of recording non-market output of the central bank and related income transfers, please indicate your preferred option

- Respondents in favour of option B3 noted, amongst others, the following: relatively simple and straightforward, restricting the need for imputations; explicit recognition of collective services provided by the central bank; recording of current transfers, instead of sales, justifiable because of mandatory nature; and providing a solid foundation for dealing with new deposits in the form of digital currencies
- Respondents in favour of other options mainly preferred not to change the current guidance of either the 2008 SNA or ESA 2010, while others mentioned some of the reasons already referred to in response to other questions
- **Conclusion: Recommendation (option B3) to be endorsed, but also add clarifications on the treatment of market services, and restrict further extension of consumption for own final use**

Questions to the AEG

- Does the AEG agree with the conclusions (highlighted in red)?
- Any other comments or suggestions?