

Discussant comments on session STCPM28: Measuring bank services – further developments

Adelheid Bürgi-Schmelz^{1, 2}

The discussant, Adelheid Bürgi-Schmelz, reviewed “two camps” divided by a “single reference rate” and “multiple rates”, and concentrated on the issues of risk services *and* basic borrower and depositor services as the components to be measured and analysed. A number of questions were raised in an attempt to determine whether one should remove risk premia from Financial Intermediation Services Indirectly Measured (FISIM) on loans, particularly if such premia were covering risk management activities. Alternatively, the treatment of non-life insurance could offer a process for valuing risk within FISIM.

The questions were:

- Does FISIM have to cover purchased or produced insurance against the *risk of default* on loans? Is the “default premium” related to this insurance cost?
- Does FISIM cover purchased or produced insurance against *term risk* (borrowing short and lending long)? Is the “term premium” related to this insurance cost?
- How would multiple reference rates in FISIM coincide in the definition of “SNA interest”?
- In considering financial product servicing, risk and liquidity management, should the focus be on distinguishing between price and volume effects rather than on deciding to eliminate part of a nominal service transaction value, ie redefining the scope of financial services?

The discussant was not in favour of reopening the 2008 System of National Accounts (SNA) now, but was in favour of a broader review and discussion of risk and the composition of the different aspects of FISIM. The treatment of non-life insurance could offer a way forward for valuing risk within FISIM.

¹ International Monetary Fund.

² Contributor: Kim Zieschang, Division Chief, Statistics Department, International Monetary Fund.