

CMFB Opinion on a draft Commission Regulation on the implementation of Council Regulation (EC) No 448/98 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional accounts (ESA)

13/09/02

Eurostat consulted the CMFB on Monday 19 August 2002 on the above-mentioned subject. The deadline for returning the questionnaire was Wednesday 11 September 2002. Both the procedure and the content of the consultation were agreed by the CMFB Executive Body. Fourteen (14) national statistical institutes and fourteen (14) national central banks from the Member States returned the questionnaire. A total of twenty-eight (28) national institutions, from all (15) Member States, thus participated in the consultation. The ECB also responded to the consultation, as well as two institutions from the EEA.

The result of the consultation was as follows:

- Twenty (20) national institutions agreed with the content of the draft Commission Regulation. Eight (8) national institutions also agreed, but expressed some reservations, especially concerning the allocation of FISIM to industry on the basis of output. Several institutions emphasised that methodological work should continue. No national institution disagreed. All the comments have been transmitted to Eurostat.

Accordingly, the CMFB supports with the content of the draft Commission Regulation on the implementation of Council Regulation (EC) No 448/98 completing and amending Regulation (EC) No 223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional accounts (ESA).

The draft Commission Regulation which was the object of consultation is provided in annex.

In addition to this opinion, the following has been transmitted to Eurostat and will be kept in the records of the secretariat of the CMFB: a document putting together the answers of all the institutions; a summary of the vote; and the original replies of the institutions.

Martti LEHTONEN
CMFB Chairman

Draft

COMMISSION REGULATION (EC) No .../..

of [...]

on the implementation of Council Regulation (EC) No 448/98 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional Accounts (ESA)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 448/98 of 16 February 1998 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional Accounts (ESA)¹ and in particular Article 5(3) thereof,

Whereas:

- (1) Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community² (hereafter "the ESA 95") contains the reference framework of common standards, definitions, classifications and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the Community, in order to obtain comparable results between Member States.
- (2) Regulation (EC) No 448/98, in its Annex 1, amended Annex A of Regulation (EC) No 2223/96 in order to introduce in the ESA 95 methodology the principle for allocating FISIM and set up experimental methods of allocating FISIM which were to be tested by Member States from 1995 to 2001, the trial period being sufficiently long to evaluate whether the allocation yielded more reliable results than the zero allocation for the correct measurement of the economic activity concerned.
- (3) In accordance with Article 5 (1) of Regulation (EC) No 448/98, a final report has been presented before 1 July 2002 by the Commission to the European Parliament and the Council, containing a qualitative and quantitative analysis of the implications of the experimental methods for allocating and calculating FISIM. This final report concluded that the results of the trial period were positive, as it is broadly recognised that the allocation of FISIM would lead to major improvements in the methodology of the ESA 95 and to a more accurate

¹ OJ L 58, 27.02.1998, p. 1.

² OJ L 310, 30.11.1996, p. 1.

comparison of Gross Domestic Product (GDP) levels within the European Union.

- (4) Since the findings of the final evaluation report on the reliability of the results obtained during the trial period have been positive, the method to be used for the allocation of FISIM must be adopted before 31 December 2002 in accordance with Article 5(3) of Regulation (EC) No 448/98.
- (5) In its final report presented to the European Parliament and the Council, the Commission considered that two additional years could be useful in order to enable Member States to make further improvements in the sources and methods used for the allocation of FISIM.
- (6) The Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), set up by Council Decision 91/115/EEC³, as amended by Decision 96/174/EC⁴, has been consulted.
- (7) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC),

HAS ADOPTED THIS REGULATION:

Article 1

1. Member States shall carry out the following calculations and allocations in accordance with the detailed methodology described in Annex III of Council Regulation (EC) No 448/98:
 - a) The calculation and allocation of FISIM among user sectors, using the reference rate defined as “method 1” in point 1 b) of Annex III of Council Regulation (EC) no 448/98.
 - b) The calculation and allocation of imported and exported FISIM, using the reference rate defined as the “external” reference rate (including FISIM between resident financial intermediaries and non-resident financial intermediaries) as defined in point 1 b) of Annex III of Council Regulation (EC) no 448/98.
 - c) The allocation of FISIM among user industries, based on the stocks of loans and deposits for each industry or, if this information is not reliable, on the output for each industry.
 - d) The calculation of FISIM at constant prices, on the basis of the formula provided in point 3 of Annex III of Council Regulation (EC) No 448/98.

³ OJ L 59, 06.03.1991, p. 19.

⁴ OJ L 51, 01.03.1996, p. 48.

2. Member States shall transmit to the Commission the results of the calculations made pursuant to this Article as part of the tables referred to in Article 3 of Regulation (EC) No 2223/96 (Transmission Programme of National Accounts data), including backwards calculations from 1995 onwards.

Article 2

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Communities*.

It shall apply as from 1st January 2005.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...]

For the Commission

[...]

Member of the Commission