

REPORT OF THE TECHNICAL GROUP ON STATISTICS FOR INTERNATIONAL TRADE IN BANKING SERVICES



**RESERVE BANK OF INDIA
March 2007**

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ACRONYMS AND ABBREVIATIONS

ADR	American Depository Receipt
ATM	Any Time Money
BEA	Bureau of Economic Analysis
BIS	Bank for International Settlement
BOP	Balance of Payment
BPM5	Balance of Payment Manual 1993 5th Edition
BPSD	Balance of Payments Statistics Division
BSA	Balance Sheet Analysis
CAC	Capital Account Convertibility
DBOD	Department of Banking Operations and Development
DBS	Department of Banking Supervision
DBS	Department of Banking Supervision
DEAP	Department of Economic Analysis and Policy
DESACS	Department of Statistical Analysis & Computer Services
DIF	Division of International Finance
DIT	Division of International Trade
DNBS	Department of Non-Banking Supervision
FATS	Foreign Affiliates Trade in Services
FED	Foreign Exchange Department
FEMA	Foreign Exchange Management Act
FETERS	Foreign Exchange Transactions Electronic Reporting System
GATS	General Agreement on Trade in Services
GDR	Global Depository Receipt
GL	General Ledger
GNS	Group on Negotiation on Services
GoI	Government of India
ITBS	International Trade in Banking Services
LC	Letter of Credit
MOC	Ministry of Commerce
MOF	Ministry of Finance
OECD	Organization for Economic Co-operation and Development
OSMOS	Off Site Monitoring and Surveillance
SWIFT	Society for Worldwide Inter-Bank Financial Telecommunication
TGSITBS	Technical Group on Statistics for International Trade in Banking Services
WTO	World Trade Organization

REPORT OF THE TECHNICAL GROUP ON STATISTICS FOR INTERNATIONAL TRADE IN BANKING SERVICES

Executive Summary

Liberalization of international trade in financial services is one of the important aspects of negotiations on trade in services as a part of the General Agreement on Trade in Services (GATS), which mainly depends on the multilateral negotiations with WTO members. In the Group on Negotiation on Services (GNS), there has been a widespread agreement that the availability of data and statistics is a prerequisite for meaningful negotiations under GATS. From the point of view of the availability of basic information on trade in banking services in India, a discussion was initiated in the Reserve Bank of India (RBI). The discussions concluded that, though various data/indicators on trade in banking services are available, these are scattered among various data sources within the bank. In order to examine how to create a consistent and comparable database, keeping in view of the requirements for policy decisions and consistency with international standards, RBI decided to set up a Technical Group on Statistics for International Trade in Banking Services (TGSITBS) under the chairmanship of Dr. K.S.R. Rao, Principal Adviser, Department of Statistical Analysis & Computer Services (DESACS), RBI, Mumbai, comprising members of various departments of RBI and the Ministry of Finance and Ministry of Commerce & Industry, Govt. of India, with its secretariat at Balance of Payments Statistics Division (BPSD), DESACS, RBI, Mumbai.

The Technical Group held two meetings. In the course of the first meeting, the Group discussed the increasing significance of the data on International Trade in Banking Services and the issues regarding collating of the data. The Group further examined various data sources available in RBI. The requirement of data for the use of Ministry of Commerce & Industry for the WTO negotiations was discussed in detail. The Group underscored the importance of collecting the data activity-wise as per the activities mentioned in Annex on Financial Services of the GATS (Table 1). The availability of data on trade in banking services through various data systems like Foreign Exchange Transactions Electronic Reporting System (FETERS) and Off- Site Monitoring and Surveillance (OSMOS) Returns were also discussed in the second meeting of the Technical Group.

The Group also conducted a feasibility study covering two foreign banks and a private bank having overseas presence in order to study the availability of the data on international trade in banking services. Based on the feasibility study and after examining various data sources presently available in RBI, the Group made the following recommendations.

1. **The cross-border trade in banking services (Mode 1) may be compiled based on FETERS;**
2. **FATS statistics (Mode 3) with country breakups on an aggregate level of activities may be compiled based on OSMOS Returns;**
3. **Activity-wise breakup of the international trade in services may be collected based on a survey on an annual basis;**
4. **Initially, the data may be collated from Foreign Banks and Indian Banks having Foreign Operations;**
5. **A suitable questionnaire with explanatory notes may be framed in line with the suggested questionnaire (Annex 4). The questionnaire may be finalized after conducting further discussions or meetings with banks;**
6. **The Group may be continued to finalize the survey schedule and to examine the feasibility of expanding the data collection mechanism.**
7. **Report may be placed on the RBI website for comments and suggestions.**
8. **There is a need to gain International exposure on the subject.**
9. **To monitor the progress and improve the data coverage from other entities like Non-Banking Financial Institutions rendering financial services, a standing committee comprising members from MOC, MOF, DBOD, DBS, DNBS, FED, DEAP and DESACS may be set up.**
10. **The proposed annual survey for the financial year 2006-07 may be launched by June 2007 and the results may be finalized by September 2007.**

Section 1 Introduction

1.1 The Background

International trade in services was brought under the common multilateral rule, General Agreement on Trade in Services (GATS), with the Uruguay Round of trade negotiations. GATS is the first set of multilaterally negotiated and legally enforceable rules covering international trade in commercial services. Following the entry into force of GATS, there has been an increasing demand for detailed and relevant and internationally comparable statistical information on trade in services. GATS covers twelve major groups of services including financial services. Financial services, particularly banking services, play an important role in promoting global, regional and bilateral economic integration. In order to facilitate international trade in banking services, considerable importance was given to this sector in the WTO negotiations under the aegis of GATS. Banking services includes, acceptance of deposits and lending (the core banking services), and the other financial services (para banking services) like payment services, securities trading, asset management, financial advice, settlement and clearing service, etc. The requirements of financial services data are highlighted from the view point of 'Valuation of offers and commitments in negotiation on banking services', 'Assessment of trade in banking services', 'Emergency safeguard measures', 'Subsidies' and 'Compensation and suspension of concessions' under the GATS negotiations (Andrew Comford, 2006).

From the point of view of the availability of statistical information on trade in banking services in India a discussion was initiated in the RBI. The discussions concluded that, though various data/indicators on trade in banking services are available, these are scattered among various data sources within the Bank. Therefore it was felt that, there is a need to examine how to create a consistent and comparable database, keeping in view of the requirements for policy decisions and in conformity with international standards. To accomplish this goal, RBI decided to set up a Technical Group on Statistics for International Trade in Banking Services (TGSITBS) under the chairmanship of Principal Adviser DESACS, Mumbai comprising members of various departments of RBI and the Ministry of Finance and Ministry of Commerce & Industry, Govt. of India, with its secretariat at BPSD, DESACS, RBI, Mumbai.

1.2 Terms of reference of the Group

1. To examine the requirements of Statistics on International Trade in Banking Services (ITBS);
2. To examine the various Data sources available within the RBI pertinent to produce Statistics on ITBS;
3. To develop a statistical framework so as to produce consistent and reliable Statistics on ITBS as per International Standards.

1.3 Composition of the Group

The Technical group comprises the following members:

1. Dr. K.S.R. Rao, Principal Adviser, DESACS, RBI:	Chairman
2. Dr. Balwant Singh, Adviser, DESACS, RBI:	Member
3. Shri B.S. Bhalla, Director , Ministry of Finance, Gol:	Member
4. Shri Amit Yadav, Director, (Services), Ministry of Commerce & Industry, Gol:	Member
5. Shri Sudarshan Sen, General Manager, DBS, RBI:	Member
6. Shri S.M. Pillai, Director, DIT, DEAP, RBI:	Member
7. Dr. Sanjeev Sharma, General Manager, FED, RBI:	Member
8. Dr. (Smt.) Jayanthi Anand, General Manager, DBOD, RBI:	Member
9. Shri D.R. Rao, General Manager, DNBS, RBI:	Member
10. Dr. A.K.Srimany, Director, BPSD, DESACS, RBI:	Member Secretary
11. Shri Bhupal Singh, Asst. Adviser, DIF, DEAP, RBI:	Associate Member
12. Shri Veenus Padamadan, Asst. Adviser, BPSD, DESACS, RBI:	Associate Member

1.4 Approach of the Group

The group held two meetings. In the first meeting the group discussed the increasing significance of the data on International Trade in Banking Services and the issues regarding collating of the data. Accordingly, the group decided to examine meticulously the various available data sources, the methodology for collecting the data and the process to retrieve information from available indicators of the data. To develop a proper statistical framework for International Trade in Banking Service (ITBS), a road map was also set up by the group as given below.

1. Examine the international practices in collecting banking services data if available;
2. Consult OECD/BIS for information on availability of any statistical system on ITBS;
3. Consult Ministry of Commerce & Industry to identify the variables on which they may require data on ITBS for WTO negotiation under GATS.

In the second meeting, the requirement of data for the use of Ministry of Commerce & Industry for the WTO negotiations was widely discussed. The group felt the importance of collecting the data activity-wise as per the activities mentioned in Annex on Financial Services of the GATS (**Exhibit 1**). The availability of data on trade in banking and other financial services (carried out by banks) through various data systems like FETERS and OSMOS Returns were also discussed. The Group recognized that the compilation of some of the variables of Foreign Affiliates Trade in Services (FATS) on an aggregate basis was possible based on some of the OSMOS Returns.

As decided by the group, the secretariat conducted a feasibility study covering two foreign banks and a private bank having overseas presence. The selected banks were provided with a list of parameters (Annex 1) and advised to check with their books of accounts to

examine the availability of the data on the various parameters provided to them. The secretariat also visited these banks for a detailed discussion on the subject.

1.5 Structure of the Report

In section 2, the tradability of banking services through the four modes of services as defined in GATS framework is discussed. Section 3 describes in brief the needs of statistical data on trade in services in connection with the WTO negotiations and also with the developments in the financial sector of the Indian economy. Section 4 presents in brief the country practices in collecting data on financial services and in particular banking services. Section 5 discusses about the availability of data in India. In section 6, the findings of the pilot study conducted by the secretariat among three banks regarding the availability of data on international trade in banking services is presented. Section 7 deals with the recommendations of the technical Group and conclusion of the report.

Exhibit 1: Financial services (Activities and Classifications for banking and other financial Services (excluding insurance)) of the GATS

Sr. No	Activities and Classification
1	Acceptance of deposits and other repayable funds from the public
2	Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions
3	Financial leasing
4	Payment and money transmission services, including credit, charge and debit cards, travelers cheques, and bankers drafts
5	Guarantees and commitments
6	Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following <ul style="list-style-type: none"> i) money market instruments (including cheques, bills, certificates of deposit); ii) foreign exchange; iii) derivative products including, but not limited to, futures and options; iv) exchange-rate and interest-rate instruments including such products as swaps and forward rate agreements; v) transferable securities; vi) other negotiable instruments and financial assets, including bullion
7	Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues
8	Money broking
9	Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, and custodial, depository and trust services
10	Settlement and clearance services for financial assets, including securities, derivative products, and other negotiable instruments
11	Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services
12	Advisory, intermediation and other auxiliary financial services on all activities listed in (i) through (xi), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy

1.6 Acknowledgement

The members of the Technical Group acknowledge with thanks the valuable services rendered by the secretariat comprising Shri Vivek Kumar, Research Officer and Smt. S.C. Tamhankar, Special Assistant of BPSD, DESACS, RBI.

Section 2

The Tradability of Banking Services

Financial services broadly refer to the functions performed by financial institutions, viz. acceptance of deposits, lending, payment services, securities trading, asset management, financial advice/consultancy, settlement and clearing service, etc. and these functions carried out collectively with non-residents form international trade in financial services. With the improvements in economic integration of financial markets and activities, the international trade in banking services has significantly increased. As at the end of 2003, the value of international trade in financial services- either by provision of services at a distance, or by movement of client, or by way of local establishment in the host country- amounted to nearly 4.5 per cent of the total value of global trade in commercial services. Further-more, foreign direct investment in banking in the form of branches, agencies and subsidiaries or by means of cross- border mergers and acquisitions, increased dramatically between early 1980s and the late 1990s (A. Gkoutzinis 2005). International trade in banking services occurs due to many reasons. Some possible reasons for international trade in banking services may be considered as (i) currency substitution (currency substitution refers to the demand for domestic currency by foreigners and foreign currency by domestic residents. From a bank's perspective, this means providing foreign currency products to domestic residents or selling domestic currency products to foreign residents) and (ii) cost advantage in providing banking services either due to comparative advantage or regulatory advantage (Michael Francis, 2002).

The GATS framework envisages that the delivery of any commercial services can be through four different modes. Accordingly, banking services also can be delivered through four modes as given in the **Exhibit 2** below.

Exhibit 2: Different Modes of Delivery of Banking Services

Mode of Delivery	Direction of service	Example
Mode 1 : Cross Border Service	Export	Banks in India provide custodial services to Foreign Institutional Investors
	Import	Under writing fees paid to foreign banks for ADR/GDR issues
Mode 2 : Consumption Abroad	Export	A foreign tourist opening an account with Indian banks.
	Import	An Indian tourist availing banking service abroad
Mode 3 : Commercial Presence	Export	Indian banks lend abroad through its branches operating abroad
	Import	Foreign banks lend in India through its branches operating in India
Mode 4 : Movement of Natural Persons	Export	Indian banks sending its employees for working abroad in its branches
	Import	Foreign bank branches in India appointing managers from its head office abroad.

In the Mode 1 of service, the bank is not present in the territory of the service importing country, but the service is provided to the customer in his/ her country of residence. Defining the place where the service is delivered is often very difficult and, therefore, the cross-border banking service may get mixed up with Mode 2 of service. In Mode 2 supply of service (consumption abroad), the consumer receives the service outside the territory of the resident country. Even though the definition does not say about the movement of the consumer, it is often believed that Mode 2 refers to services provided to consumers traveling abroad. In the Mode 3 of supply of service, the bank has a commercial presence in the territory of the service importing country and the service is delivered therein. The commercial presence can be through various investment vehicles like representative offices, bank branches, subsidiaries, associates and correspondents. In the Mode 4 of supply of service, the bank is commercially present in the importing country and the service is delivered through nationals of the exporting country.

Section 3

The Need for Reliable Statistical Information

With globalization of the Indian economy, Indian banking system too would progressively integrate with the rest of the world. Liberalization of cross-border capital flows will further deepen financial intermediation and capital markets. In order to enhance the efficiency and stability of the banking system to the best global standards in the emerging scenario, a two-track approach was adopted by RBI (RBI 2005). The first track was consolidation of the domestic banking system in both public and private sectors, while the second track involved gradual enhancement of the presence of foreign banks in a synchronized manner. The second phase will commence in April 2009. With this growing significance of the banking system in the economy, the size of the commercial assets of the banking system is expected to increase (CAC Report 2006). Thus, collection and compilation of reliable statistics is a prerequisite to substantiate any policy decision, which may have wide ranging implications in the banking sector and across the economy. Further, with the ongoing negotiations for liberalizing the financial services sector under the WTO as a part of GATS, data on trade in banking services is extremely essential for evaluating cross-country negotiations. The importance of such data for the purpose of WTO negotiations is extensively discussed by A. Cornford (2006). According to him the data are essential for:

- i) Valuation of offers and Commitments in negotiations on banking services;
- ii) Assessment of trade in banking services: Statistical data is required to assess the contribution of trade in banking service to economic growth and development of the country;
- iii) Emergency safeguard measures: Rules of emergency safeguard measures would require supporting statistical data concerning the scale of cross-border transactions or the commercial presence of foreign banks which could trigger the measures;
- iv) Subsidies: Statistical data on value of trade in banking service is required for procedures for dealing with subsidies;
- v) Compensation and suspension of concessions

In the Indian context, the statistical data on trade in banking services may also be required to measure the effects on the international competitiveness of Indian banks vis-à-vis foreign banks.

Section 4

International Trade in Banking Services - Country Practices

Trade in services data collection is well established according to the principles and framework of BPM5. Around 61 countries are reporting data on trade in financial services (WTO 2006) as per BPM5 framework. However, as regards to the disaggregated data on financial services, the availability of information in the public domain is limited. According to the Report of Methodological Soundness Questionnaire (2006) on the measurement of trade in services in Balance of Payments Statistics conducted by Eurostat-OECD, a majority of OECD countries reported that they collect disaggregated data on financial services under the BoP framework. The disaggregated data includes

- 1) Explicit Commission and fees associated with
 - a) Deposit taking/lending, including mortgage loans.
 - b) Letter of credit, bankers acceptance and credit lines
 - c) Financial leasing and factoring
 - d) Financial derivatives
 - e) Underwriting, placement of issues, etc
- 2) Other Commission and fees related to
 - a) Financial advisory services
 - b) Custody services
 - c) Merger and Acquisition services
 - d) Corporate finance and venture capital services
 - e) Credit card services

Data collection and compilation of Foreign Affiliates Trade in Statistics (FATS) are not well established as BoP statistics. Some of the OECD countries have started collecting data; but, detailed activity-wise breakdowns are not disseminated (WTO 2006).

In the US, the Bureau of Economic Analysis (BEA), is conducting various surveys for compilation of international trade in services. BEA's data on trade in financial services include explicit fees for a wide variety of services, including funds management, credit card services and other credit related activities and transactions in securities (Maria Borga, 2006). In addition to this, implicit commissions and fees for bond trading and underwriting are also estimated and included under financial services. Further, in order to estimate the sale of financial services through banking affiliates, BEA conducts benchmark and annual surveys. A detailed list of surveys conducted by BEA and the variables on which information are collected is given in Annex 2.

Canada conducts an annual survey namely Survey of Deposit-accepting Intermediaries: Chartered Banks, Trust Companies, Caisses Populaires and Credit Unions (www.statisticscanada.com). The data from this survey are used as inputs to National Economics Accounts and for estimating productivity of the services activities of Canadian economy. This survey collects financial data, broken out by common lines of business like retail banking services, electronic financial services, corporate and institutional finance services, treasury and investment banking services fiduciary services and other financial services (C. Hinchely 2006). Data on net interest income, non-interest income, non-interest expenses and assets are also collected separately for each business lines. Further, number of regular and contract employees are also collected through the survey.

Section 5

International Trade in Financial Services – Availability of Data in India

Reserve Bank of India (RBI) is entrusted with the collection and dissemination of data on trade in services as a part of India's Balance of Payment Statistics. Recent developments in negotiations under the GATS, the ongoing liberalisation of current and capital account transactions and rationalisation of the reporting requirements have placed an increasing demand on comprehensive information relating to international trade in services. In recognition of the growing importance of services and in order to meet the requirements of compilation under extended balance of payments statistics, RBI formed a Technical Group on "Statistics of International Trade in Services" which submitted its report in March 2002. Based on the recommendation of this group, the reporting system was revamped by expanding the classification of transactions, facilitating the collection of disaggregated data in accordance with the extended balance of payments statistics during 2004-05. Accordingly, as a part of the administrative requirements under the Foreign Exchange Management Act (FEMA 1999), the AD branches, which are authorized to deal in foreign exchange transactions, are needed to report all the foreign exchange transactions, dealt with them, on a fortnightly basis to RBI through Foreign Exchange Transactions Electronic Reporting System (FETERS). Information on financial services are collected, based on this AD reporting, on three major heads viz.,

- (i) Financial intermediation like Bank charges, collection charges, LC charges, cancellation of forward contracts, commission on financial leasing, etc.,
- (ii) Financial intermediation for investment banking like brokerage, underwriting commission, etc. and
- (iii) Auxiliary services like charges on operation & regulatory fees, custodial services, depository services, etc.

By nature of delivery, these services captured through the BoP framework can be allocated to Mode 1. The services supplied by the foreign affiliates (foreign bank branches) and Indian affiliates in foreign countries (Indian bank branches overseas), which tantamount to services import and services export through Mode 3 of supply of service respectively as per the GATS framework, are not getting captured at present. The present system for collecting cross-border transactions in banking services has its own inherent lacunas. Banks report data mostly on net basis, thus leading to non-reporting of financial intermediation charges, even though billed separately. Further, auxiliary services like custodian charges, etc., may also not get reported, since only inflows and outflows to and from the custodian account are reported in the bank reporting system.

Information on Key FATS variables like Sales, Employment, Value added, number of enterprises, Assets, Net worth and Operating Surplus for financial services can be compiled based on various OSMOS Returns. A list of OSMOS Returns and the corresponding data related to the FATS statistics is given in Annex 3.

Section 6

Feed back of Pilot Survey

A pilot survey was conducted among three banks, (two foreign banks and one Private Sector bank having overseas presence) to examine to examine the feasibility of getting data on trade in banking services. This section contains the observations from the discussions the secretariat had with the representatives of the three banks. The secretariat also studied the information supplied by these banks based on their books of account.

Foreign banks opined that data on various services like account management services, lending services, cash management & payments services, credit card services, custodial services, advisory services, derivative services, mortgage services, foreign exchange services, trade finance services, etc., can be compiled from their General Ledger (GL). One of the foreign banks opined that segregating this data into fees paid by the residents and non-residents will be difficult with the present system of collecting data, since their system does not capture the residential status of the customer. However, they stated that certain estimates of non-resident business are being prepared for Management and strategic requirement. The other foreign bank advised that their accounting system captures data separately on resident and non-resident to a great extent. On studying the income heads of the private bank, where the feasibility study was conducted, the following observations are made.

(i) Interest income from overseas branches can be segregated into interest income received from residents of overseas country and interest income received from financial accounts with Indian resident.

(ii) Non-interest income on various activities of services like deposit accounts, lending, payment and money transmission services, security trading services, brokerage services, foreign exchange services, derivative product services, letter of credit, bankers acceptance and credit lines, etc. The information on the above can also be segregated into non-interest income received from overseas residents (the country in which the bank is having a branch), Indian and other foreign nationals.

Section 7

Recommendations and Conclusions

The Technical Group discussed in detail the availability of data on international trade in banking services and the requirement of the same, in particular, for the statistical inputs for the WTO negotiations under GATS. The Group endorsed that even though there are inherent limitations in capturing cross-border trade in banking services through FETERS, the same can be utilized as a close approximation or an indicator of the international trade in banking services through Mode 1 of supply. The Group further identified that FATS statistics, on an aggregate level, with country-wise break up, can be collected and compiled based on data available on various OSMOS Returns. The above two data sources can accordingly be utilized as building blocks for the production of statistics on international trade in banking services. These data can be further fine-tuned by collecting information on international trade in banking services from the foreign banks in India as well as Indian banks that have their operations in foreign countries. It was further deliberated that detailed activity-wise data, as given in the Annex on the financial services of GATS (**Exhibit 1**), may be collected through an annual survey with quarterly breakups. It was also deliberated that even though the banking and other financial services as listed in the aforesaid Annex are being carried out by non-banking subsidiaries set up by the banks and other non-banking entities, the domain of the proposed survey may be limited to the scheduled commercial banks and representative offices of foreign banks and Indian banks which have offices abroad. The recommendations of the technical Group are accordingly summarized as follows.

- 1. The cross border trade in banking services (Mode 1) may be compiled based on FETERS;**
- 2. FATS statistics (Mode 3) with country breakups on an aggregate level of activities may be compiled based on OSMOS Returns;**
- 3. Activity wise breakup of the international trade in services may be collected based on a survey on an annual basis;**
- 4. Initially, the data may be collated from Foreign Banks and Indian Banks having Foreign Operations;**
- 5. A suitable questionnaire with explanatory notes may be framed in line with the suggested questionnaire (Annex 4). The questionnaire may be finalized after conducting further discussions or meetings with banks;**
- 6. The Group may be continued to finalize the survey schedule and to examine the feasibility of expanding the data collection mechanism.**
- 7. Report may be placed on RBI website for comments and suggestions.**
- 8. There is a need to gain International exposure on the subject.**
- 9. To monitor the progress and improve the data coverage from other entities like Non-Banking Financial Institutions rendering financial services, a standing committee comprising members from MOC, MOF, DBOD, DBS, DNBS, FED, DEAP and DESACS may be set up.**
- 10. The proposed annual survey for the financial year 2006-07 may be launched by June 2007 and the results may be finalised by September 2007.**

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Annex 1: Activities on which availability of the data was examined in the pilot study

1. Explicit commission or fees associated with
 - (a) Deposit taking, lending (including mortgage loan)
 - (b) Letters of credit, Banker's acceptance and credit lines.
 - (c) Financial derivatives
 - (d) Underwriting, placement of issues
 - (e) Trade in securities to foreign investment funds.
 - (f) Financial advisory services
 - (g) Custody services
 - (h) Merger and Acquisition services
 - (i) Venture Capital Services
 - (j) Credit Card Services
2. Implicit fees and Commission, which can be explicitly segregated on the above activities
3. Brokerage on foreign Exchange brokerage services
4. Electronic Fund Transfer services like SWIFT
5. ATM network Services.

Annex 2: List of Surveys conducted by BEA, US

Mode of Service	Description	Sample Units	Periodicity
Mode 1	Purchase (Import) of Financial services from un-affiliated Foreign Persons Information Collected: Credit related fees, Fees on Securities Transactions and fees for other financial services	US firms other than Financial services intermediary	Benchmark and Annual
	Purchase (Import) and Sale (Export) of Financial services from and to un-affiliated Foreign persons Information Collected: Brokerage except Foreign Exchange brokerage services, private placement services, Underwriting services, Financial Management services, Credit-related services except credit card services, credit card services, Financial Advisory and Custody services, Security lending services and Foreign brokerage services	US Financial services providers	Benchmark and Annual
Mode 3	Sale (export) of financial services by foreign affiliates of US banks. Information collected: US Banks have to report the data on their foreign affiliates for each country separately. The data collected include sales or operating revenue due to local sales, sale to US residents and sales to other countries. Further information on number of employees, interest income, interest expense, total liabilities, total assets	US Reporters who have foreign banking affiliates	Benchmark and Annual
Mode 3	Purchase (import) of financial services from bank affiliates in US. Information collected includes total interest paid and total interest received. Data on	Foreign Banks affiliates in US	Benchmark and Annual

	explicit fees and charges (sales of services) was also collected according to the destination of sales.		
Mode 3	Transactions of U.S. banking affiliate with foreign parent. All transactions including Direct investment, Financial Services and other services transactions with the Foreign Parent collected in this survey.	Foreign Banks affiliates in US	Quarterly & Annual Survey

Annex 3: List of OSMOS Returns based on which Gross FATS variables can be compiled.

Name of the OSMOS Return	Periodicity of the Return	Available FATS data variables	Remark
DSBO- RETURN VI: Report on Profitability	Quarterly	1. Sales or operating Revenue (Interest Income, Fee Income, Other Income) 2. Operational Surplus	Country wise reporting of Overseas offices of Indian banks
DSB - RETURN III: Report on quarterly operating result	Quarterly	1. Sales or operating Revenue (Interest Income, Fee Income, Other Income) 2. Operational Surplus	Data of Foreign Banks operations in India
DSBO - RETURN I: Report on Asset, Liability and Off balance sheet exposures	Quarterly	Assets	Country wise reporting of Overseas offices of Indian banks
DSB - RETURN BSA: Balance Sheet Analysis	Yearly	Assets	Data of Foreign Banks operations in India

Annex 4: Suggested Questionnaire

Annual survey on international trade in Banking Services

1. Identification of Reporting Bank

A. Name:

B. ADCODE:

C. Address:

2. Reporting for the financial Year Ending (dd/mm/yyyy)

3. Data on Cross-border trade in banking services

[Data on transactions with Non-Residents by all the Bank branches in India only should be reported here]

Activity	Q1	Q 2	Q 3	Q4
1.Commission or fees associated with				
a. Deposit taking				
b. Credit related transactions except credit card				
c. Letters of credit, Banker's acceptance				
d. Custodial services				
e. Underwriting, placement of issues				
f. Trade in securities				
g. Merger and Acquisition services				
h. Venture Capital & Pvt. placement Services				
i. Financial derivatives				
j. Credit Card services				
k. Electronic Fund Transfer services				
l. Guaranty & Commitments				
2. Brokerage services				
3. Foreign exchange services & brokerage				
4. Other financial services				

1. Data on trade in services to Indian Residents by Foreign banks

Activity	Q1	Q 2	Q 3	Q4
1.Commission or fees associated with				
a. Deposit taking				
b. Credit related transactions except credit card				
c. Letters of credit, Banker's acceptance				
d. Custodial services				
e. Underwriting, placement of issues				
f. Trade in securities				
g. Merger and Acquisition services				
h. Venture Capital & Pvt. placement Services				
i. Financial derivatives				
j. Credit Card services				
k. Electronic Fund Transfer services				
l. Guaranty & Commitments				
2. Brokerage services				
3. Foreign exchange services & brokerage				
4. Other financial services				

2. Data on trade in services by the overseas branches on Indian Banks

[This data may be provided for each country where the Indian bank is having overseas operation separately]

Country of residence of Bank branch:

Activity	Q1	Q 2	Q 3	Q4
1.Commission or fees associated with				
a. Deposit taking				
b. Credit related transactions except credit card				
c. Letters of credit, Banker's acceptance				
d. Custodial services				
e. Underwriting, placement of issues				
f. Trade in securities				
g. Merger and Acquisition services				
h. Venture Capital & Pvt. placement Services				
i. Financial derivatives				
j. Credit Card services				
k. Electronic Fund Transfer services				
l. Guaranty & Commitments				
2. Brokerage services				
3. Foreign exchange services & brokerage				
4. Other financial services				