

The [European system of national and regional accounts](#) defines **interest** as the amount that the debtor becomes liable to pay to the creditor over a given period of time without reducing the amount of principal outstanding under the terms of the financial instrument (deposits, debt securities, loans and other accounts as well as SDR holdings and unallocated gold accounts) agreed between them. 'Creditors lend funds to debtors that lead to the creation of one or other of the financial instruments listed above.' It is a sub-item of the [national accounts](#) ' [property income](#) transactions.

Interest is recorded on an accrual basis.

For certain actors in the economy, the value of the [financial] services provided are eliminated from interest and are allocated to intermediate consumption and output.

Further information

- [ESA 2010](#) para. 4.42.

Related concept

- [Allocation of primary income account](#)
- [Interest rate](#)

Statistical data

- [National accounts and GDP](#)