

Manual on sources and methods for quarterly financial accounts for general government

2008 edition

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MANUAL ON SOURCES AND METHODS FOR QUARTERLY FINANCIAL ACCOUNTS FOR GENERAL GOVERNMENT



PREFACE

I am pleased to present this new manual on Quarterly Financial Accounts for the General Government.

Given the high user interest accorded to government finance statistics, the introduction of the compilation and collection of timely quarterly financial data has been welcomed. These data complement quarterly data collected for the non-financial transactions of government, in a harmonised way based on European national accounts rules. They also feed into a wider integrated system of government accounts, which may be found on Eurostat's dedicated government finance statistics website, and into the European sector accounts.

This manual provides a detailed insight into the sources and methods used by countries to compile these data, presenting the information a structured way so that cross-country comparisons can be made. The manual will be updated in the future, to act as a repository of information for compilers and users of the data.

I would like to thank all countries which have contributed material for this manual, and also the Eurostat staff who have edited it.

Laurs NØRLUND



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PART I. INTRODUCTION

The report by the Monetary Committee on information requirements, endorsed by the ECOFIN Council on 18 January 1999, underlined that, for the proper functioning of Economic and Monetary Union and the single market, effective surveillance and coordination of economic policies are of major importance and that this requires a comprehensive statistical information system providing policy-makers with the necessary data on which to base their decisions. That report also stated that a high priority should be given to short-term public finance statistics for Member States and that the objective was the compilation of quarterly government financial accounts, following a step-by-step approach. This decision led to the development of a European parliament and council Regulation (No 501/2004 of 10 March 2004) dealing with quarterly financial accounts for general government (this is reproduced in Annexes).

Quarterly financial accounts for general government include data on financial transactions and balance sheet items for general government (consolidated and non-consolidated) and its sub-sectors. The primary classification of financial instruments comprises: Monetary gold and special drawing rights (AF.1), Currency and deposits (AF.2), Securities other than shares (AF.3), Loans (AF.4), Shares and other equity (AF.5), Insurance technical reserves (AF.6), and Other accounts receivable/payable (AF.7). The sector General Government (S.13) is divided into the following sub-sectors: central government (S.1311), state government (S.1312), local government (S.1313), and social security funds (S.1314).

The complete list of instruments to be provided by Member States to Eurostat is described in the regulation. For definitions of financial transactions and instruments, see ESA 95 chapter 5. For definitions of institutional sectors and sub-sectors, see ESA 95 chapter 2.

According to the regulation, data are transmitted by the Member States 3 months after the reference period to Eurostat. Some quality checks are carried out by Eurostat in order to validate the data.

The validation process consists of arithmetic and quality checks such as:

- ✓ Verification of internal consistency
- ✓ Comparison with annual financial accounts.
- ✓ Comparison with quarterly debt data
- ✓ Validation against annual data provided for the EU excessive deficit procedure.
- ✓ Measurement of the statistical discrepancy between financial and non-financial account (B9-B9F)

Moreover, the reliability of data reported by Member States has also been assessed and reported to the European parliament and the council in the following quality report:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52007DC0230:EN:HTML>

Such exercises of quality assessment will be renewed regularly.

Once validated, QFAGG data are published on Eurostat public database. Member States, EU and euro area aggregates data are available in million of euro and million of national currency.

Since January 2008, Eurostat also publishes some quarterly GFS tables that include general government quarterly non-financial accounts, quarterly financial accounts and quarterly debt data. These tables are available on Eurostat web site in excel format on the section dedicated to government statistics:

http://epp.eurostat.ec.europa.eu/portal/page?_pageid=2373,47631312,2373_58674404&_dad=portal&_schema=PORTAL

Finally, quarterly government financial accounts data are often used to construct timely annual financial accounts data in the annual GFS tables. This can happen in the first release of April when Annual financial accounts are not yet available or also in the second release of October, when QFAGG data are considered to be more 'fresh' than annual data.

The Manual on sources and methods for QFAGG aim to describe Member States' practices for the compilation of quarterly financial accounts data in the context of the regulation 501/2004. Country chapters include the following sections:

- ✓ Institutional arrangements
- ✓ Statistical sources
- ✓ Data coverage
- ✓ Current compilation methods
- ✓ Coherence and comparability
- ✓ Consistency and plausibility checks on QFAGG data

The country chapters have been constructed with the active cooperation of Member States, and will be updated in due course as sources and methods evolve

PART II. MEMBER STATES' COMPILATION PRACTICES

BELGIUM

I Institutional arrangements

1.1 Compiling institutions

The National Bank of Belgium is responsible for the development of the methodology, the compilation and the dissemination of the Quarterly Financial accounts of General Government (QFAGG). These accounts are compiled in the Financial Accounts unit of Financial Statistics (in the General Statistics Department) and are integrated in the framework of the Financial Accounts of Belgium.

The central bank is also in charge of compilation of Short Term Public Finance Statistics (STPFS). Although compiled in the same institution, the financial and non-financial accounts of General Government are compiled by two units working independently, following different calendar and transmission program. However, regular informal contacts take place between the units in charge of Government Finance Statistics.

1.2 Publication policy

Data on QFAGG is published nationally and is in line with the regulation but sub-sectors are not identified separately. Some data are also published by sub-sectors in the Public Finance Chapter. Up to now neither metadata, nor supporting comments are available on a regular basis for the public at large.

Website is in French, English and Dutch at the Internet addresses:

Public finance: <http://www.nbb.be/belgostat/DataAccesLinker?Lang=E&Code=publfin>

Financial accounts: <http://www.nbb.be/belgostat/DataAccesLinker?Lang=E&Code=finacc>

Paper Publication is only available in French and Dutch with Quarterly and monthly updates under the titles: Bulletin statistique /Statistisch Tijdschrift (Chapter 11 Public Finance and Chapter 12 Financial Accounts).

1.3 Publication timeliness

Public finance data are available on the website about 90 days after the end of the quarter. Paper publication is available about 105 days after the end of the quarter for public finance and about 120 days after the end of the quarter for the financial accounts.

II Statistical sources

2.0 Source Data

Source data are only or mostly based on direct information for central government, state government and social security. Source data are generally not based on direct information for local government, except for insurance technical reserves liabilities.

2.0.1 Statistics without counterpart sector information¹

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
(CG) Central Government												
“The State”	Transactions	ON	ON	ON	ON		MO		MO	ON		MO
	Stocks	ON	ON	ON	ON		MO		ON	ON		MO
CG bodies	Transactions	MO	ON	ON	ON		MO	ON	MO	MO		MO
	Stocks	MO	ON	ON	ON		MO	ON	MO	MO		MO
State Government												
Transactions		ON	ON	ON	ON		MO		MO	MO	ON	MO
Stocks		ON	ON	ON	ON		MO		MO	MO	ON	MO
Local Government												
Transactions		NO	NO	NO	NO		NO		NO	NO	ON	NO
Stocks		NO	NO	NO	NO		NO		NO	NO	ON	NO
Social Security Funds												
Transactions		ON	ON	ON			MO		ON	ON		MO
Stocks		ON	ON	ON			MO		ON	ON		MO

Table 1.2 Final estimate

Same as table 1.1.

¹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Comments: The same sources (and methodology) are used for provisional and final data. When data are not available for the last quarter (which can happen for some state government units or central government bodies), extrapolation or estimates are done. When only annual data are available, extrapolation is used for the quarter(s) of the current year, and simple interpolation is done for the quarters within the year.

If flows are derived from stocks based on direct information, without applying revaluation effect or other change in volume (OEF), then flows are deemed based on direct sources (ON). If OEF is estimated (for F.4 and F.3 in foreign currencies and F.5) flows are deemed to be mostly (MO) based on direct sources. Central government: transactions are derived from stocks except for F.34, for which only transactions are available (from direct sources). Stocks and transactions on F.7 are partly estimated based on direct information.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
CG bodies	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
Social Security Funds					
Transactions		ON	ON		ON
Stocks		ON	ON		ON

Table 2.2 Final estimate

Same as table 2.1.

2.1 Direct sources

Data for sectors S.1311, S.1312 and S.1314 are available from direct sources; data for S.1313 are derived from indirect sources.

2.1.1 Central government

The main source of information is the Treasury (Monthly Treasury report of the Federal Public Finance Service) for which direct information on all assets and liabilities is generally available on a monthly basis with a time lag of one month. These data do not cover all units of the central government sub-sector (according to ESA 95). Those units not covered by the Treasury are for instance the Amortization Fund for social housing (Fonds d'amortissement des emprunts du logement social - FADELS), the SFPI (Société fédérale de participation et d'investissement), the Belgian Monetary Fund, the "Caisse des dépôts et consignations" and the bodies in charge of "annual holidays" branch of the social security system. The data for these units are collected, either by direct contacts each quarter, or by consulting their annual balance sheets.

2.1.2 State government

The main sources of information are the Treasuries of the different state entities (i.e. the French, Flemish and German-speaking communities, the Walloon Region, the Brussels-Capital Region and the French, Flemish and joint community commissions). Monthly Treasury report of state entities; Quarterly data of other state government units cover all the financial assets and liabilities and are available generally on a quarterly basis, more rarely on an annual basis (with a time lag of one to five months following the entities).

2.1.3 Local government

Source data are generally not based on direct information for local government.

2.1.4 Social security funds

Until 2001, liabilities of social security funds were obtained directly from the various funds. In January 2001, liabilities of the social security funds have been taken over by the central government. Information concerning these liabilities is since then obtained at the Treasury (Federal Public Finance Service) on a monthly basis with a time lag of one month. Social security funds still provide, on a quarterly basis, information about their financial assets with a time-lag of two to three months.

2.2 Indirect sources

2.2.1 Money and banking statistics

Money and banking statistics constitute the main indirect source of information for the compilation of the financial accounts of the local government. That information is available on a monthly basis with a time-lag of two to three months and concerns the deposits (AF.2) and the loans (AF.4). The information about the holding of shares and other equity (AF.5) is provided by the principal monetary financial intermediary for the units of the local government (Dexia Bank).

2.2.2 Balance of payments statistics

Not used.

2.2.3 Securities issues statistics

Not used.

2.2.4 Other financial intermediaries statistics

Not used.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

Information about local government issues and holding of securities other than shares (AF.33) are collected by the securities settlement system set up within the National Bank of Belgium. This information is available on a monthly basis (liabilities) and via a quarterly survey on the sectoral holding of the dematerialised securities (financial assets). The data included in this survey are collected among participants (account holders) of the settlement system.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The delimitation of general government sector is the responsibility of a specific group composed of budgetary experts and chaired by a national accounts expert. Once a year, the group updates the list of the units belonging to the different sub-sectors of the general government. That list is available (in French or Dutch) on the website of the National Bank of Belgium.

http://www.nbb.be/doc/dq/F_pdf_PDE/PDE_Liste2007septembreFR.pdf

http://www.nbb.be/doc/dq/N_pdf_PBT/PBT_lijst2007septemberNL.pdf

The borderline cases were solved by applying the principles of the ESA95 Manual on deficit and public debt.

3.2 Coverage of financial instruments

All financial instruments are widely covered, coverage of liabilities being slightly better than for assets, in particular assets of state and local government. For the liabilities, the financial instruments currency and deposits (AF.2), securities other than shares, excluding financial derivatives (AF.33), loans (AF.4) and mutual funds shares (AF.52) are covered at 100 % in the financial accounts of the general government. Most of the outstanding amounts of shares and other equity, excluding mutual fund shares (AF.51) are recorded in the stocks of assets.

Other accounts receivable/payable (AF.7) is largely covered. They concern mainly the financial claims resulting of timing difference between accrued transactions and payments in respect of taxes, social contributions and wages and salaries and some other accounting time lag for sporadic transaction. AF.7 covers also difference between interest paid and interest accrued and the accounting time lag resulting of transactions between the general government sub-sectors themselves.

3.3 Breakdown by original maturity

The information obtained from the different sources is sufficiently detailed to make the breakdown by original maturity between short (up to one year) and long (more than one year) term.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

The counterpart information requested by the Regulation on QFAGG is fully covered. The information is directly obtained from central government's direct source described in the above paragraph.

3.4.2 State government

3.4.3 Local government

3.4.4 Social security funds

The counterpart information requested by the Regulation on quarterly financial accounts for social security funds is fully covered. The information is directly obtained from social security funds' direct source described in the above paragraph.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

The coverage is complete since the financial accounts system (in which the financial accounts for general government and sub-sectors are integrated) is based on the systematic identification of the counterpart party for each transaction, each transaction or stock being identified by three dimensions (the financial instrument, the debtor sector and the creditor sector).

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

See the above paragraph.

3.7 Breaks in time series (former comparability over time)

There are no breaks in time series for the period covered by the Regulation.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows²

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
(CG) Central Government												
“The State”	Transactions	FS	FS/FF	FS	FS		FF		FS	FS		FF
	Stocks	SS	SS	SS	SS		SF		SS	SS		SF
CG bodies	Transactions	FS	FS/FF	FS	FS/FF		FF	FS	FS	FS		FF/FS
	Stocks	SS	SS	SS	SS		SF	SS	SS	SS		SF/SS
State Government												
Transactions		FS	FS/FF	FS	FS		FF		FS	FS	FS	FE

² Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Stocks	SS	SS	SS	SS		SF		SS	SS	SS	SF
Local Government											
Transactions	FS	FS/FF	FS	FS		FF		FS	FS	FS	FE
Stocks	SS	SS	SS	SS		SF		SS	SS	SS	SF
Social Security Funds											
Transactions	FS	FS/FF	FS			FF		FS	FS		FF/FS
Stocks	SS	SS	SS			SF		SS	SS		SF/SS

Table 3.2 Final estimate

Same as table 3.1.

Comments: F34 only available for transactions (no recording of stocks).

4.1.1 Financial transactions

Transactions are based on stock information for most categories, and if needed are corrected for price and exchange rate variations or other change in volume. Payable/receivable based in part on stock and in part on flow information. For F.51, information on holdership of shares (stocks) is available but punctual information is still used on capitalisation or privatization operations to determine the transactions.

4.1.2 Ensuring consistency between stocks and flows

Belgium has no integrated data system for quarterly or annual accounts. The source data are the same for the annual and quarterly financial accounts providing either information on stocks or marginally on transactions. The transactions are derived from stocks (or the stocks are built from cumulated flows) insuring de facto the consistency between stocks and transactions.

4.1.3 Revaluations

For data in Euro, flows are equal to changes in balance sheet items taking explicitly into account other changes in volume or revaluation effects when identified (for quoted shares and mutual funds shares held). Until now, the stocks of securities other than shares denominated in Euro are recorded at nominal value.

For data in foreign currencies, the flows are also calculated by comparison between the balance sheet at the beginning and at the end of the period, with an adjustment for the exchange rate fluctuations.

4.2 Other changes in the volume of assets

Where known, these are recorded.

4.3 Valuation of financial instruments

The market valuation principle is respected except for the stocks of securities other than shares, which are recorded at nominal value.

Unquoted equity for shares of financial corporations is valued at market value and own funds at book value is used for shares of non-financial corporations.

4.4 Accruals accounting & recording of interest

Accruals principle is respected by using the financial instrument Other accounts receivable/payable. Calculations are done in collaboration with the National Accounts Division (the unit which is responsible for the compilation of the non-financial accounts), in order to ensure the consistency between non-financial and financial accounts. Accrued interest is not recorded under the corresponding instrument (as suggested in the ESA95) but under other accounts receivable/payable. Due to the data sources used, the debtor approach should be the concept used for recording interest.

4.5 Interpolation, extrapolation, and other estimation methods

Most of the information required is available on quarterly or monthly basis within the time delay to compile the quarterly financial accounts. For information only available on an annual basis ($t+9$), quarterly stocks are estimated by simple interpolation and extrapolation.

4.5.1 Interpolation methods

More than 95% of the information necessary to compile the general government financial accounts is at least available on a quarterly basis. For information only available on a yearly basis, the quarterly stocks are estimated by a simple interpolation (changes in stocks are divided by 4).

4.5.2 Extrapolation methods

Most of the necessary information for the compilation of QFAGG is available in $t+3$ months. The missing information generally concerns the accounts of some entities of the state government. The data are extrapolated either on the basis of partial information received by informal contacts with the usual provider of data (cf. paragraph 1 above) either by extrapolating the trend observed in the corresponding period of the previous years.

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods³

The consolidation methods applied in the quarterly financial accounts of the general government are fully consistent with the method described in the Manual on Sources and Methods for the compilation of ESA95 Financial Accounts. On this basis:

- consolidated data at the level of any general government sub-sector means that the “intra” transactions and positions are eliminated;
- non-consolidated data at the level of the general government sector means that the “intra sub-sectors” and the “inter sub-sectors” transactions and positions are included in the data;
- consolidated data at the level of the general government sector means that the “intra sub-sectors” and the “inter sub-sectors” transactions and positions are eliminated.

4.7 Conversions (Euro, foreign currency)

Central government is the only issuer of liabilities in foreign currencies. These liabilities are converted in Euro on the basis of the representative market foreign currencies exchange rate prevailing at the end of the quarter.

4.8 Revisions policy or coherence between provisional and final statistics

The revisions policy reflects the fact that the compilation system for financial accounts has been designed to compile quarterly data, annual data being derived from the quarterly database. In each quarterly transmission, revisions are possible on past data. In fact, there are two types of revisions:

- Major revisions generally relate to improvements of the methodology or to new Eurostat recommendations in the framework of the Excessive Deficit Procedure. In most cases, they modify the series for the whole period.
- Current (or routine) revisions are explained by updates of the data extrapolated.

Metadata on revisions are regularly provided.

³ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Quarterly financial accounts data are generally comparable with quarterly non-financial accounts data. However, notable discrepancies are observed for some quarters.

There is no policy to align net lending/net borrowing (B9) and net financial transactions (B9F), nor maximum target value for statistical discrepancies. The difference between B9 and B9F is used as a check on the overall quality of the accounts. This check of consistency is generally monitored every quarter with more emphasis at the time of the notification in the framework of the Excessive Deficit Procedure (EDP). During the year useful information is regularly exchanged between the National Accounts Division and the Financial Accounts Division. Investigations are carried out when discrepancies are deemed too large or tend to increase. Recently, most of the efforts to reduce the discrepancies have been linked with better estimations of the components of “other accounts receivable/payable”. Even if checks are conducted on annual data in the framework of the EDP, methodological improvements are done on the quarterly financial accounts compilation system since annual and quarterly data are derived from the same database.

5.2 Coherence between quarterly and annual data

Annual financial accounts are based on quarterly financial accounts, which ensure full consistency of both statistics. When differences are observed for some instruments, they are due to difference in vintages.

5.3 Comparability with government debt⁴

QFAGG data are generally consistent with Q-debt data. However, the comparison show that for QFAGG data, the instruments AF.331 and AF.332 are not correctly valued (nominal value is used instead of market value).

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

Complete consistency with MUFA and table 6 and 7 of Eurostat transmission program is insured, because the database for QFAGG is a subset (input) for MUFA and annual financial accounts. Although the three databases are coherent after 110 days (time lag necessary to compile and balance

⁴ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

the financial accounts for the whole economy), they are not coherent at the time of QFAGG delivery (after 90 days).

Stocks of loans and deposits recorded for General Government are also compared with other statistics: Monetary financial institutions balance sheet, balance of payments (BOP) or international investment position (IIP). Some differences with the balance sheet items of MFIs still have to be investigated. Comparison with international investment position (IIP) is easier, and data from financial accounts for GG should normally be used to compile BOP.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts ⁵	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types \ Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks	X			
between flows and stocks	X			
of growth rates of stocks	X			
of growth rates of flows	X			
of counterpart data in the QFAGG dataset	X			
of the yield on assets and liabilities (property income / stocks)		X		

⁵ As the annual financial accounts are derived from the quarterly financial accounts, and the quarterly non financial accounts are benchmarked on the annual accounts, once benchmarked, the annual discrepancy is equal to the sum of quarterly discrepancies.

6.3 Major events monitoring

Information on major events is reported. Large transactions and large “Other Economic Flows” (OEF) are routinely monitored.

6.3.1 Large transactions

Information is systematically provided according to the agreed report template.

Comments: Transactions are affected by a strong seasonal pattern reflecting the net lending/net borrowing (B9), with large net borrowing requirement of General Government on the first and third quarters and large net lending capacity in the second and fourth quarters.

The largest transactions are as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Seasonal pattern (Q4): diminution of AF.2 asset combined with the structural net lending (surplus) used to reduce AF.33 liabilities or to increase AF.33 assets vis-à-vis S.13 (consolidation operation).	04Q04	-7 450.73	2.57
F.33	Short-Term	Liabilities	National authorities	Seasonal pattern (Q1): structural net borrowing requirement (deficit) and reversal of consolidation operations (Q4) leading to an increase in AF.33 and AF.4 liabilities.	07Q01	8 875.37	2.70
				Seasonal pattern (Q1): structural net borrowing requirement (deficit) and reversal of consolidation operations (Q4) leading to an increase in AF.33 liabilities or a decrease in AF.33 assets. Issuing of the new 10 years benchmark OLO (linear obligation) by the Treasury during Q1 raising larger amounts.	03Q01	8 328.32	3.03
					04Q01	9 600.13	3.32
				Seasonal pattern (Q4):	99Q04	-9 385.47	3.94

				diminution of AF.2 asset combined with the structural net lending (surplus) used to reduce AF.33 liabilities or to increase AF.33 assets vis-à-vis S.13 (consolidation operation).	00Q04	-7 452.29	2.96
					03Q04	-11 749.85	4.28
	Long-Term	Liabilities	National authorities	Reduction in AF.33 liabilities long term corresponding with increase in AF.4.	03Q01	-9 172.14	3.34
				Seasonal pattern (Q1): structural net borrowing requirement (deficit) and reversal of consolidation operations (Q4) leading to an increase in AF.33 liabilities or a decrease in AF.33 assets. Issuing of the new 10 years benchmark OLO (linear obligation) by the Treasury during Q1 raising larger amounts.	06Q01	8 170.73	2.60
				Seasonal pattern (Q4): diminution of AF.2 asset combined with the structural net lending (surplus) used to reduce AF.33 liabilities or to increase AF.33 assets vis-à-vis S.13 (consolidation operation).	04Q04	-9 770.70	3.37
F.4	Short-Term	Liabilities	National authorities	Decrease in AF.4 (debt management) linked with the increase in AF.41 (short term loans) of previous quarter (reversal operation).	03Q02	-9 181.82	3.34
				Reduction in AF.33 liabilities long term corresponding with increase in AF.4.	03Q01	10 319.38	3.76
				Seasonal pattern (Q1): structural net borrowing requirement (deficit) and reversal of consolidation operations (Q4) leading to an increase in AF.33 and AF.4 liabilities.	07Q01	8 467.77	2.58

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

Information is systematically provided according to the agreed report template. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.3	Short term	Liabilities	National authorities	Reclassification of CREDIBE from S.123 to S.1311. CREDIBE is a public financial intermediary specialised in mortgage loans for the acquisition of dwellings. The reclassification is due to the application of the 50% rule. The other economic flows correspond to other change in volume in F42 (long term loans) on the asset side and other change in volume for F331, F332 and F4 on the liability side.	01Q02	1831	0.7
					01Q02	766	0.3
F.4	Long Term				01Q02	807	0.3
					01Q02	3236	1.2
F.5	Long-Term	Assets	National authorities	Price effect due to the change in valorisation of Belgacom (from book value to market price) prior to the quotation of its shares.	03Q04	2163	0.8
				Price effect (2.011 millions) observed during the first quarter of 2004 after the quotation of Belgacom shares.	04Q01	2047	0.7
F.511	Long-Term	Assets	National authorities	Price effect (2.011 millions) and other change in volume (3.128 millions) due to the reclassification of Belgacom shares from unquoted (F512) to quoted (F511). The counterpart operation (unquoted shares) is not reported in QFAGG.	04Q01	5129	1.8
F.4	Long Term	Assets (S.1311)	National authorities	Consolidation operation of assets and liabilities of the Amortisation funds for the social housing societies (FADELS) classified as S.1311. The social housing societies (S.123) have repaid the loans (F42) granted by the FADELS, while the FADELS has repaid the loans granted by the Communities and Regions (S.1312). The OEF correspond to a price effect, i.e. the difference between the agreed valued of the transactions and the book values of assets and liabilities.	03Q04	-1602	0.6
					03Q04	-1606	0.6
	Long Term	Liabilities (S.1311)	National authorities		03Q4	-1600	0.6

F.3	Short Term	Liabilities	National authorities	Reclassification of Aquafin from S.1312 to S.11 in application of the 50% rule.	05Q1	-299	0.1
F.4	Long Term	Liabilities	National authorities		05Q1	-966	0.3

**Values are in millions of national currency.*

BULGARIA

I Institutional arrangements

1.1 Compiling institutions

The Bulgarian National Bank (BNB) is responsible for the development of the methodology, compilation and dissemination of the quarterly financial accounts for the General government (QFAGG). These accounts are compiled by the Financial Accounts and General Economic Statistics Division of the Statistics Directorate.

1.2 Publication policy

The data are planned to be published later this year.

1.3 Publication timeliness

The data are planned to be published 110 days after the end of the corresponding quarter.

II Statistical sources

When compiling the quarterly financial accounts for General government institutional sector and its sub-sectors, a number of direct and indirect data sources are used:

- Direct information is the sole source data for F.21 Currency.
- Only indirect data sources are used while compiling F.34 Financial derivatives and F.6 Insurance technical reserves.
- Both direct and indirect sources are used for the compilation of F.22 Transferable deposits, F.29 Other deposits, F.5 Shares and other equity, F.7 Other accounts receivable/payable, F.4 Loans (prevailing direct data sources for assets side and indirect sources for liabilities side) and F.33 Securities other than shares (prevailing direct data sources for assets side and indirect sources for liabilities side).

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁶

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	IN	MO	MO	IN	NO	MNO	n.a	MO	MO	n.a	MNO
	Stocks	IN	MO	MO	IN	NO	MNO	n.a	MO	ON	n.a	MNO
CG bodies	Transactions	IN	MO	MO	IN	NO	MNO	n.a	MO	MO	n.a	MNO
	Stocks	IN	MO	MO	IN	NO	MNO	n.a	MO	ON	n.a	MNO
State Government												
Transactions		n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Stocks		n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Local Government												
Transactions		IN	MO	MO	MO	NO	MO	n.a	MO	MO	n.a	MO
Stocks		IN	MO	MO	MO	NO	MO	n.a	MO	ON	n.a	MO
Social Security Funds												
Transactions		IN	MO	MO	MO	NO	MNO	n.a	MO	MO	n.a	MO
Stocks		IN	MO	MO	MO	NO	MNO	n.a	MO	ON	n.a	MO

Table 1.2 Final estimate

Same as table 1.1.

Comments:

The same sources are used for provisional and final data.

⁶ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State" –	Transactions	MO	MO	IN	ON
	Stocks	MO	MO	IN	ON
CG bodies	Transactions	MO	MO	IN	ON
	Stocks	MO	MO	IN	ON
Social Security Funds					
Transactions		MO	MO	MO	ON
Stocks		MO	MO	MO	ON

Table 2.2 Final estimate

Comments:

The same sources are used for provisional and final data.

2.1 Direct sources

Direct data sources used by the BNB when compiling QFAGG are: the trial balances survey, the report on the execution of the State budget (consolidated fiscal programme), balance sheets of the hospitals owned and finances by the General Government entities and Government debt statistics. The information from these sources is divided into sub-sectors (Central government, Local government, Social security funds).

The Trial balances provide detailed book-keeping information on stocks and flows on an accrual basis. Up to 2005 the information is annual; since 2006 they are quarterly. The Report on the execution of the State budget provides information on transactions accomplished by the government entities on a cash basis. The frequency is monthly. Information on Government debt stocks, domestic and foreign, on a monthly basis is obtained from the Government debt statistics. The information from direct sources concerns the financial instruments Currency and deposits, Securities other than shares, Loans, Shares and other equity and Other accounts receivable/payable.

2.1.1 Central government

See paragraph 2.1

2.1.2 State government

Not applicable

2.1.3 Local government

See paragraph 2.1

2.1.4 Social security funds

See paragraph 2.1

2.2 Indirect sources

2.2.1 Money and banking statistics

The Money and banking statistics sources of information are monthly sectoral surveys by the BNB, commercial banks and non-operating banks, and BNB balances. They provide an important part of the information on stocks, especially concerning Loans, Deposits, Shares, other equity and “Other accounts receivable/payable” on a monthly basis.

2.2.2 Balance of payments statistics

The International investment position (IIP) statistics are a source of information on stocks and transactions concerning the instruments Securities other than shares, Loans, Shares and other equity and “Other accounts receivable/payable”. The IIP information is on a quarterly basis.

2.2.3 Securities issues statistics

Not used as an indirect source.

2.2.4 Other financial intermediaries statistics

The balances and corresponding annexes of investment funds and companies, financial auxiliaries and insurance corporations are used for the compilation of the “Other accounts receivable/payable” stocks figures. This information is available with an annual frequency.

2.2.5 Non-financial corporations balance sheets

The balances and corresponding annexes of non-financial corporations are used for the compilation of “Other accounts receivable/payable” stocks figures. This information is with an annual frequency.

2.3 Other financial data

Information from the Central Depository is used when compiling stocks figures for the instruments Financial derivatives and Shares and other equity. The information is available with a quarterly frequency.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The General government institutional sector consists of all entities included in the Central government, Local government and Social security institutional sub-sectors.

The Central government institutional sub-sector consists of all the ministries and state and executive agencies, the Presidency, the National Assembly, the legal authorities, Financial Supervision Commission, National Audit Office, Bulgarian National Radio and Bulgarian National Television, Bulgarian Academy of Science, state owned hospitals and universities, financed by the government as well as the extra-budgetary funds for which separate accounts are maintained.

The Local government institutional sub-sector consists of the municipalities, hospitals owned and financed by them and local authorities' extra-budgetary funds and accounts.

The Social security institutional sub-sector consists of the National social security institute and the National health insurance fund.

3.2 Coverage of financial instruments

- *Currency and deposits*: On the assets side this instrument includes cash in vaults, transferable and other deposits. As the General government does not issue coins and accept deposits, the information on liabilities side is not applicable.
- *Securities other than shares*: On the assets side this item includes short- and long-term securities issued by the other sub-sectors of the General government and short- and long-term securities issued by the Rest of the world sector. On the liabilities side short- and long term debt securities issued by the sub-sectors of the General government are included.
- *Financial derivatives*: This instrument includes all kinds of compensation instruments, issued by the General government entities in relation to the privatization process.
- *Loans*: This instrument includes short- and long-term loans in national and foreign currencies granted/received to/from all resident and non-resident institutional units.

- *Shares and other equity*: On the assets side this instrument includes quoted and unquoted shares held by General government and other equity, comprising the own capital of the Bulgarian National Bank and investments by General government in the capital of state owned enterprises that do not issue property securities in the form of shares. The instrument also includes holdings of shares and other equity issued by non-residents. On the liabilities side this instrument includes the shares and other equities of the hospitals owned and financed by the central and local government entities.
- *Other accounts receivable/payable*: The instrument includes trade credits and advances (credits not included in the form of other financial instruments) and other accounts receivable/payable, excluding trade credits and advances (receivables/payables related to the other assets/liabilities of the BNB and commercial banks, taxes from the rest of the financial sector and non-financial sector and Other accounts of the General government concerning Rest of the World sector).

3.3 Breakdown by original maturity

The input data for “Securities other than shares excluding financial derivatives” and “Loans” allow the splitting of the information into short-term and long-term by original maturity as required.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

The information is provided on the asset and liabilities sides according to the Regulation 501/2004 requirements.

3.4.2 State government

Not applicable

3.4.3 Local government

No counterpart information required according to Regulation 501/2004

3.4.4 Social security funds

The information is provided on the asset and liabilities sides according to the Regulation 501/2004 requirements.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Information from direct and indirect statistical sources used for compilation of QFAGG is detailed and allows splitting the stocks and flows (for the most of the financial instruments) vis-à-vis entities, belonging to the different General government sub-sectors and other resident sectors. It ensures the possibility to compile consolidated data on the level of sub-sectors data, as required. On this basis, non-consolidated and consolidated data sets are compiled for the general government.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Direct and indirect information collected allows coverage of transactions between General government and resident and non-resident sectors.

3.7 Breaks in time series (former comparability over time)

There are no breaks in the time series.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ⁷

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
(CG) Central Government												
"The State"	Transactions	FS	FS	FS	FS/FF	FS	FS	n.a	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS/SF	SS	SS	n.a	SS	SS	SS	SS
CG	Transactions	FS	FS	FS	FS/FF	FS	FS	n.a	FS	FS	FS	FS

⁷ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

bodies	Stocks	SS	SS	SS	SS/SF	SS	SS	n.a	SS	SS	SS	SS
State Government												
Transactions	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Stocks	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Local Government												
Transactions	FS	FS	FS	FS/FF	FS	FS	n.a	FS	FS	FS	FS	FS
Stocks	SS	SS	SS	SS/SF	SS	SS	n.a	SS	SS	SS	SS	SS
Social Security Funds												
Transactions	FS	FS	FS	FS/FF	FS	FS	n.a	FS	FS	FS	FS	FS
Stocks	SS	SS	SS	SS/SF	SS	SS	n.a	SS	SS	SS	SS	SS

Table 3.2 Final estimate

Same as table 3.1.

Comments:

Transactions are based on stock information for most categories, except for F.512 Unquoted shares (flow information). Stocks of F.512 are based on flow information.

4.1.1 Financial transactions

Financial transactions are compiled based on changes in the amount of financial assets held and liabilities outstanding between the closing balance sheet and the opening balance sheet. Financial transactions equal to the difference between changes in financial balance sheets on one side and entries in the revaluation account and the other changes in volume of assets account on the other. Transactions are based on stock information for most categories, except for F512 Unquoted shares (flow information).

4.1.2 Ensuring consistency between stocks and flows

The consistency between stocks and flows is ensured on the base of the implementation (for each financial instrument) of the general principle, which stipulates the difference between closing and opening stocks to be equal to the sum of transactions, revaluations and other changes in volume.

For each of the financial instruments the following formula must hold:

$$S_E = S_B + T_F + C_R + C_O,$$

Where:

S_E – outstanding stock at the end of the period

S_B – outstanding stock at the beginning of the period

T_F – financial transactions of the period

C_R – revaluations

C_O – changes recorded in stocks due to other changes in volume (currently such types of flows have not been identified and recorded)

4.1.3 Revaluations

Two types of revaluations are respected - revaluations coming from changes in the exchange rates and revaluations coming from changes in market prices of the financial instruments, traded on the markets. The first type of revaluations corresponds to loans and deposits predominantly, while the second corresponds to quoted shares, debt securities and financial derivatives. The following formulas do not hold for financial instruments “Securities other than shares (excl. financial derivatives)” and “Insurance technical reserves” (assets side).

- For revaluations due to changes in the exchange rates the following formula must hold:

$$(S_t^{BGN} - S_{t-1}^{BGN}) - ER_{av} \times (S_t^{fe} - S_{t-1}^{fe})$$

Where:

S_t^{BGN} – BGN (national currency) equivalence at the end of the corresponding quarter

S_{t-1}^{BGN} – BGN equivalence at the end of the quarter prior the corresponding quarter

S_t^{fe} – currency equivalence at the end of the corresponding quarter

S_{t-1}^{fe} – currency equivalence at the end of the quarter prior the corresponding quarter

ER_{av} – average exchange rate of corresponding quarter

- For revaluations due to changes in market prices of the financial instruments the following formula must hold:

$$(S_t^{BGN} - S_{t-1}^{BGN}) - P_{av} \times (S_t^{nom} - S_{t-1}^{nom})$$

Where:

S_t^{BGN} – BGN market equivalence at the end of the corresponding quarter

S_{t-1}^{BGN} – BGN market equivalence at the end of the quarter prior the corresponding quarter

S_t^{nom} – BGN nominal equivalence at the end of the corresponding quarter

S_{t-1}^{nom} – BGN nominal equivalence at the end of the quarter prior the corresponding quarter

P_{av} – average market price of corresponding quarter

4.2 Other changes in the volume of assets

The other changes in volume of assets account covers all changes in stocks due to changes in financial instruments classifications, in economic entities' institutional structure, and changes which correspond to financial instruments' allocation and cancellation. Currently such types of flows have not been identified and recorded.

4.3 Valuation of financial instruments

The market valuation principle is mostly applied concerning financial instruments “Securities other than shares (excl. financial derivatives)” F.33, “Financial derivatives” F.34 and “Shares and other equity” F.5.

4.4 Accruals accounting & recording of interest

The accrual principle is generally followed wherever possible in the compilation process. Accrued interest is recorded under financial instrument “Other accounts receivable/payable” (F.7). Accrued interest of transactions with non-residents is recorded under underlying instrument.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

For information only available on an annual basis, the quarterly stocks are derived by applying following formula:

$$S_Q = S_{BY} + n \times (S_{EY} - S_{BY}) / 4$$

Where:

S_Q - stock at the end of corresponding quarter

S_{BY} – outstanding stock at the beginning of the corresponding year

n – number of quarter

S_{EY} - outstanding stock at the end of the corresponding year

4.5.2 Extrapolation methods

Not used.

4.5.3 Other methods - adjustment of source data for compilation

Not used.

4.6 Consolidation methods⁸

Consolidation methods applied in the quarterly financial accounts of General government are fully consistent with the method described in the Manual on Sources and Methods for the compilation of ESA95 Financial Accounts. On this basis:

- Central government/ Local government/ Social security funds consolidated data means that all transactions and stock positions between institutional units within the boundary of the sub-sector are eliminated.
- General government unconsolidated data means that the data are consolidated within the Central government level, within the Local government level, within the Social security funds level, but are not consolidated among the Central government, Local government and Social security funds levels.
- General government consolidated data means that data are fully consolidated within the Central government level, within the Local government level, within Social security funds level and among the Central government, Local government and Social security funds level.

4.7 Conversions (euro, foreign currency)

When compiling stocks information the official exchange rate of the Bulgarian National Bank at the end of a particular reporting period is used. Revaluations due to changes in the exchange rates are calculated based on following formula:

$$(S_t^{BGN} - S_{t-1}^{BGN}) - ER_{av} * (S_t^{fe} - S_{t-1}^{fe})$$

Where:

S_t^{BGN} – BGN (national currency) equivalence at the end of the corresponding quarter

S_{t-1}^{BGN} – BGN equivalence at the end of the quarter prior the corresponding quarter

S_t^{fe} – currency equivalence at the end of the corresponding quarter

S_{t-1}^{fe} – currency equivalence at the end of the quarter prior the corresponding quarter

ER_{av} – average exchange rate of corresponding quarter

⁸ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.8 Revisions policy or coherence between provisional and final statistics

In each quarterly transmission, revisions are possible on back data. In fact, there are several types of revisions:

- Revisions relating to improvements of the methodology or to new Eurostat recommendations in the framework of the Excessive Deficit Procedure. In most cases, revisions modify the series for the whole period.
- Revisions due to new data sources used.
- Revisions on preliminary data.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

The methodology for harmonization of the national non-financial and financial accounts is under development.

5.2 Coherence between quarterly and annual data

Ensuring of full consistency of both quarterly and annual financial accounts requires improvement of their methodologies. Revisions of financial accounts data are possible as a result of these improvements.

5.3 Comparability with government debt

QFAGG data are consistent with Q-debt data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

The MUFA are currently under development. QFAGG data will be a source for MUFA compilation.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		x			
Between financial and non financial accounts		x			
Between quarterly and annual accounts with table 6 & 7 of ESA 95		x			

Between quarterly and annual accounts with table 3 of EDP

x

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		x			
Between flows and stocks		x			
of growth rates of stocks			x		
of growth rates of flows			x		
of counterpart data in the QFAGG dataset		x			
of the yield on assets and liabilities (property income / stocks)				x	

6.3 Major events monitoring

Major events are regularly monitored.

6.3.1 Large transactions

Explanations of large transactions are provided and regularly reported to Eurostat. The largest are as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Central government has increased its deposits in the Central Bank and commercial banks due to the execution of the state budget (tax receipts from revenues side), disbursement of a World Bank loan tranche and the transfer of the dividend from the Central Bank to the Central government.	03Q02	1 170.00	3.38
				Central government has increased its deposits in the Central Bank due to privatization receipts and the transfer of the dividend from	04Q02	1 066.00	2.75

				the Central Bank to the central government.			
F.33	Long-Term	Liabilities	National authorities	Debt securities buy-back of the Bulgarian Brady bonds (DISCs).	04Q03	-1 126.00	2.90
				Debt securities buy-back of the Bulgarian Brady bonds (IABs).	05Q01	-1 358.00	3.17
F.7	-	Assets	National authorities	Increase of the "Other accounts receivable" due to privatization contracts signed between the Privatization Agency and foreign investors regarding electricity distribution companies.	04Q04	1 285.00	3.31
				Decrease of the "Other accounts receivable" resulting From the payments by the foreign investors regarding the privatization of electricity distribution companies.	05Q01	-1 186.00	2.77

**Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).*

6.3.2 Other economic flows (OEF)

Explanations of other economic flows are provided and regularly reported to Eurostat. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.7	-	Assets	National authorities	Foreign currency revaluations in the "Other accounts receivable" of the International investment position.	03Q02	-579.00	1.67

**Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).*

CZECH REPUBLIC

I Institutional arrangements

1.1 Compiling institutions

In the Czech Statistical Office (CZSO) the National Accounts Branch (NAB) is responsible for the development of the methodology, the compilation and the dissemination of the QFAGG. The compiling unit within the NAB is the Government Accounts Section. The NAB is responsible for compilation of the quarterly and annual financial and non-financial government accounts; the unit cooperates with the Czech National Bank in area financial government accounts. The Czech National Bank bears responsibility for compilation of quarterly financial accounts for other institutional sectors. Both institutions cooperate regularly. The cooperation is based on a regular dialogue; CNB checks (compares) recorded data on deposits and loans with banking statistics and provides very important data on counterpart sector in the area.

1.2 Publication policy

CZSO compiles QFAGG since 2006; data are published and concurrently revised.

Website addresses:

<http://www.czso.cz/eng/redakce.nsf/i/home>

and:

http://www.czso.cz/eng/redakce.nsf/i/financial_accounts_for_general_government_quarterly_2007_07_19

1.3 Publication timeliness

Data are published one month after the deadline of data transmission.

II Statistical sources

2.0 Source Data

Direct information is the main source data for all categories, except insurance technical reserves of government units other than budgetary central government.

2.0.1 - Statistics without counterpart sector information⁹

Table 1.2 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
(CG) Central Government												
“The State”¹⁰	Transactions	IN	IN	IN	IN	IN	IN	IN	IN	IN	IN	IN
	Stocks	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
CG bodies	Transactions	IN	IN	IN	IN	IN	IN	IN	IN	IN	IN	IN
	Stocks	ON	ON	ON	ON	IN	ON	ON	ON	ON	ON	ON
Local Government												
Transactions		IN	IN	IN	IN	IN	IN	IN	IN	IN	IN	IN
Stocks		ON	ON	ON	ON	IN	ON	ON	ON	ON	ON	ON
Social Security Funds												
Transactions		IN	IN	IN	IN	IN	IN	IN	IN	IN	IN	IN
Stocks		ON	ON	ON	ON	IN	ON	ON	ON	ON	ON	ON

Table 1.2 Final estimate

Same as table 1.1.

⁹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

¹⁰ The term “The State” comprises only budgetary organizations.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

	Asset			Liabilities
Sub-sectors	F3	F4	F5	F4
Central Government				
“The State” – Transactions	NO	NO	NO	NO
“The State” - Stocks	IN	IN	IN	IN
CG bodies - Transactions	NO	NO	NO	NO
CG bodies - Stocks	IN	IN	IN	IN
Social Security Funds				
Transactions	NO	NO	NO	NO
Stocks	NO	NO	NO	NO

Table 2.2 Final estimate

Same as table 2.1.

2.1 Direct sources

A significant part of the data necessary for compilation of QFAGG was, until the end of 2004, available within annual or semi-annual periodicity. Since 2005, the Ministry of Finance provides to the CZSO in an aggregated form with 100 % coverage and in a quarterly periodicity:

- Revenue and expenditure statements for budgetary organisations and state funds together with their balance sheets (until now they were obtained only semi-annually),
- Profit and loss statements and balance sheets for semi-budgetary organisations.

Another procedure was taken concerning the quarterly data on financial flows and stocks for public universities and health insurance companies by changes in statistical questionnaires. A brief summary of direct data sources (all of them are with 100 % exhaustiveness) for compilation of QFAGG is in central government.

2.1.1 Central government

Consists of:

Budgetary organisations and 7 state extra-budgetary funds

Direct source: quarterly information provided in an aggregated form by the Ministry of Finance within expected delay of T + 65 days (or more) comes from:

- Revenue and expenditure statement (for their main activity). Compilation includes exchange rate differences. Data on transactions in financial assets/liabilities are supposed to be used as supplementary information to change in stocks obtained from balance sheets. All of those are on cash basis.
- Profit/loss statement (for their secondary activity). Compilation includes on accrual basis: exchange rate differences, revenues and expenses on sale of securities and shares, profits from short/long term financial assets, unilateral write-off of receivables.
- Balance sheet data on stocks of financial assets and liabilities classified as short/long term, i.e. currency, deposits, shares, bonds, other securities, loans, receivables in detailed specification by their kind; bonds issued, loans, payables also in detailed specification by their kind.¹¹

Semi-budgetary organisations¹²

Direct source: quarterly information provided in an aggregated form by the Ministry of Finance within expected delay of T + 65 days (or more) comes from:

- Profit/loss statement
- Balance sheet

These statements should provide data on financial stocks and flows on accrual basis and in similar structure as corresponding statements for budgetary organisations, which however is not in accordance with the ESA 95 methodology.

Land Fund

Direct source quarterly information submitted by the unit and available within expected delay of T + 40 days (or more) comes from:

- Generation and use of the fund. Compilation includes accrual data on exchange rate differences, profit/loss from sales of shares and receivables, unilateral write-off of receivables
- Balance sheet with data on stocks of financial assets, i.e. currency, deposits, shares, receivables, and liabilities, i.e. bonds issued, loans and receivables.

National Property Fund

Direct source quarterly information submitted by the unit and available within an expected delay of T + 40 days (or more) comes from:

- Generation and use of the fund. Compilation includes accrual data on exchange rate differences, profit/loss from sales of shares and receivables, unilateral write-off of receivables

¹¹ The structure of financial assets and liabilities is not in accordance with the ESA 95 methodology. This applies to all the source data obtained from financial statements. The structure is then harmonized with ESA methodology by an interpolation of annual data from statistical questionnaires and/or by individual questioning of the unit (see Interpolation methods in section 4)

¹² Budgetary organisations for their secondary activity, semi-budgetary organisations and state funds compile identical profit and loss statement and balance sheet.

- Balance sheet with data on stocks of financial assets, i.e. currency, deposits, shares, receivables, and liabilities, i.e. bonds issued, loans and receivables.

Its function was terminated and its existence as a division of the Ministry of Finance started in 2006Q1.

Vine-grower fund¹³

Direct source quarterly information submitted by the unit and available within expected delay of T + 40 days (or more) comes from:

- Profit/loss statement. Compilation includes accrual data on exchange rate differences, profit/loss from sales of shares and receivables, unilateral write-off receivables
- Balance sheet where data on stocks of financial assets and liabilities are classified as short/long term in detailed specification by their kind.

Supporting and Guarantee Agricultural and Forestry Fund¹⁴

Direct source: quarterly information submitted by the unit and available within expected delay of T + 40 days (or more) comes from:

- Profit/loss statement - an additional information must be obtained by individual questioning especially for items other operating revenues/expenses and other financial revenues/expenses, which include various kinds of non-financial and financial transactions, such as revenues from transfers of receivables, unilateral write-off of receivables and exchange rate differences together with items classified in non-financial accounts of ESA.
- Balance sheet where data on stocks of financial assets and liabilities are classified as short/long term in detailed specification by their kind.

Czech Consolidation Agency¹⁵

Direct source: quarterly information submitted by the unit and available within expected delay of T + 40 days (or more than 40) comes from:

- Profit/loss statement, i.e. information on nominal holding gains/losses from financial assets and liabilities specified in detail, unilateral write-off of receivables,
- Balance sheet where data on stocks of financial assets and liabilities are classified as short/long term in detailed specification by their kind (incl. counterpart information)

Its function was terminated and its existence as a division of the Ministry of Finance started in 2008Q1.

Subsidiaries of Czech Consolidation Agency (PRISKO); Czech Collection Co.¹⁶

¹³ Compiles financial statements for non-profit organisations.

¹⁴ Compiles financial statements for entrepreneurs.

¹⁵ Compiles financial statements for banks.

Direct source: quarterly information submitted by the unit and available within expected delay of T + 40 days (or more) comes from:

- Profit/loss statement - an additional information must be obtained by individual questioning especially for items other operating revenues/expenses and other financial revenues/expenses, which include various kinds of non-financial and financial transactions, such as revenues from transfers of receivables, unilateral write-off of receivables and exchange rate differences together with items classified in non-financial accounts of ESA
- Balance sheet where data on stocks of financial assets and liabilities are classified as short/long term in detailed specification by their kind.

Railway Infrastructure Administration (SZDC)

Direct source: quarterly information submitted by the unit and available within expected delay of T + 45 days (or more) comes from:

- Profit/loss statement an additional information must be obtained by individual questioning especially for items other operating revenues/expenses and other financial revenues/expenses, which include various kinds of non-financial and financial transactions, such as revenues from transfers of receivables, unilateral write-off of receivables and exchange rate differences together with items classified in non-financial accounts of ESA..
- Balance sheet where data on stocks of financial assets and liabilities are classified as short/long term in detailed specification by their kind.

Public Universities

Direct source comes from Quarterly statistical statement for Selected Government and Similar Institutions VPI 3-04 with delay of T + 40 days. Data items used for the compilation are:

- accrual data on exchange rate differences,
- profit/loss from sales of shares and securities,
- bonds,
- receivables,
- write-off receivables,
- stocks of financial assets and liabilities in detailed specification by their kind.

2.1.2 State government

Not applicable.

2.1.3 Local government

Local budgetary organizations (territorial self-governing units)

Regional Offices, Municipal Authorities, Municipal Offices, Municipalities and Voluntary Municipalities Associations,

¹⁶ Compile financial statements for entrepreneurs.

Direct source: quarterly information provided in an aggregated form by the Ministry of Finance within expected delay of $T + 65$ days (or more) comes from the same statements as the one provided by central budgetary organizations.

Local semi-budgetary organizations

Direct source: quarterly information provided in an aggregated form by the Ministry of Finance within expected delay of $T + 65$ days (or more) comes from:

Profit/loss statement

Balance sheet

These statements should provide data on financial stocks and flows on accrual basis and in similar structure as corresponding statements for budgetary organisations, which however is not in accordance with the ESA 95 methodology.

2.1.4 Social security funds

Direct source: quarterly statistical statement of health insurance companies ZDP 3-04 processed by the CZSO. The output from this data processing is available with delay of $T + 40$ days. Data items used for compilation are:

- accrual data on exchange rate differences,
- profit/loss from sales of shares,
- bonds and receivables,
- write-off receivables;
- stocks of financial assets and liabilities in detailed specification by type with quantification of S.13 counterparts.

Indicators of economic activity of health insurance companies, obtained from the Ministry of Finance, are used as a supplementary data source and for control.

2.2 Indirect sources

2.2.1 Money and banking statistics

The CZSO has started to use quarterly statistics on deposits, loans and interests split by institutional sector, which are published by the Czech National Bank (CNB). The reason is that some government units (in particular some budgetary organizations) record deposits and loans (as recorded by the CNB in Money and banking statistics) not correctly as receivables/payables.

2.2.2 Balance of payments statistics

The CNB provides especially quarterly data on payments from or to foreign countries and data on stocks of financial assets/liabilities partially split by sector.

2.2.3 Securities issues statistics

The CZSO can use monthly data on state securities from the Ministry of Finance, i.e. treasury bills and bonds, long-term securities other than shares, issued by the Ministry of Finance.

The CZSO uses more detailed data from special government units, e.g. the Czech Consolidation Agency, National Property Fund, Land Fund and Railway Infrastructure Administration.

2.2.4 Other financial intermediaries statistics

At present these statistics are not available. Quarterly statistical questionnaires are not sufficient. A new form of questionnaire will include information on stocks of financial assets/liabilities as aggregated items (i.e. AF.2, AF.5 etc.).

2.2.5 Non-financial corporations balance sheets

A new form of quarterly statistical statement will include information on financial assets/liabilities as aggregated items (i.e. AF.2, AF.5 etc.).

2.3 Other financial data

Quarterly data for financial institutions classified in sub-sectors S.121 – S.125 are secured by the CNB. The CZSO uses them as an indirect source for the general government sector.

A semi-annual Report on State Budget Performance of the Czech Republic is used as a supplementary source of information.

III Data coverage

3.1 Delimitation of general government (sector boundary)

Central government (S.1311) comprises:

- Central budgetary organisations (376 units),
- Semi-budgetary organisations (334 units), classified in general government in accordance with ESA 95, and the 50 % cost criterion (more than 50% of costs is covered from state budget),
- 7 state extra-budgetary fund: State Agricultural and Intervention Fund, State Cinematography Fund, State Dwelling Fund, State Transport Infrastructure Fund, State Fund of Culture, State Environmental Fund, State Soil Reclamation Fund,
- Other extra-budgetary funds: National Property Fund– stopped existing as an independent unit in 2005, Land Fund, Vine-grower fund, Supporting and Guarantee Agricultural and Forestry Fund, so-called transformation agencies (Czech Consolidation Agency - stopped existing as an

independent unit in 2007, its subsidiary PRSKO, and Czech Collection Co.), Railway Infrastructure Administration, state organisation (SZDC) and public universities.

Local government (S.1313) covers local budgetary organisations (i.e. Regional Offices, Municipal Authorities, Municipal Offices, Municipalities and Voluntary Municipalities Associations, totally 7147 units) and local semi-budgetary organisations (11343 units).

Social security funds (S.1314) comprise nine active health insurance companies. The remaining part of compulsory social security services is integrated into the central government sector.

3.2 Coverage of financial instruments

The breakdown and coverage of the financial instruments in QFAGG is the same as in the annual financial accounts; it covers all the instruments defined in ESA 95.

3.3 Breakdown by original maturity

There is a breakdown of short and long-term instruments in all sub-sectors of general government by original maturity. This classification is done by interpolation of results from annual statistical survey (an annual statistical questionnaire for government units) applied on data with quarterly periodicity, which are not in a structure required. When possible and suitable, the breakdown by original maturity is solved also by individual questioning at the unit.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Stocks of financial assets and liabilities are divided into counterparts with the cooperation of Czech National Bank (Money and Banking statistics and Balance of Payments), from the Final State Budget and other supplementary information from individual units. Transactions in counterparts are derived from stocks with respect to amount of revaluation.

3.4.2 State government

Not applicable.

3.4.3 Local government

Neither stocks, nor transactions of financial assets and liabilities for local government are broken-down to counterparts (by CZSO) because are not included to QFAGG transmission.

3.4.4 Social security funds

Data are obtained in the same way as in the central government.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

The quarterly data are obtained mainly in the form of financial statements and do not provide information on counterparts, nor for consolidation on financial, revaluation and other changes accounts. Data for consolidation purposes are obtained from sources of MoF (database of state securities by holders) and individual questioning at units.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

3.7 Breaks in time series (former comparability over time)

Since September transmission in 2007 there are no breaks in time series for QFAGG. Series from 1998 to 2002 have been estimated with appropriate statistical method.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ¹⁷

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
(CG) Central Government												
"The State" ¹⁸	Transactions	FS	FF	FF	FS	FS	FS	FS	FS	FS	M	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	M	SS

¹⁷ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the followings: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

¹⁸ The term "The State" comprises only budgetary organizations.

CG bodies	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	M	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	M	SS
Local Government												
	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	M	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	M	SS
Social Security Funds												
	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	M	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	M	SS

Table 3.2 Final estimate

Same as table 3.1.

4.1.1 Financial transactions

Financial transactions are derived from changes in balance sheet items, with respect to revaluations and other changes when identified.

4.1.2 Ensuring consistency between stocks and flows

For annual and quarterly data Czech uses an integrated source data system based for all main components of its sub-sectors of general government except for social security main unit. For its local or central government budgetary or semi-budgetary organisations, information on financial assets stocks (B1 and/or B2) is obtained from the balance sheets of these units and financial transaction is derived from this information. Data are split and a full bridge is applied (FULL1) i.e. all items are transferred and allocated in ESA95 except for social security bodies where data are allocated in only one category (FULL2).

Data recorded in the quarterly government accounts are based on direct data sources from financial statements of the government units, on surveys (G1) and on supplement sources data. Government non-financial accounts and financial accounts are compiled as whole - as complete set of accounts at the same time

The general principle, which requires the change in stocks in each financial instrument being equal to the sum of financial transactions, other changes and revaluation of the particular instrument, will be held. This requirement is satisfied also as a direct impact of calculation of financial transactions from balance sheets (B), taking into account revaluation and other changes mostly obtained from direct sources, which are recorded separately on *other changes in volume* of assets account and on revaluation account.

4.1.3 Revaluations

Since the stocks of financial assets and liabilities are recorded on balance sheets at bookkeeping values, revaluation constitutes one necessary factor in the total change in financial instruments volume. The data recorded on the revaluation account are received from direct sources as described in paragraph 2.1, i.e. exchange rate differences and profit/loss from sales of shares, bonds and receivables, as well as from indirect sources, particularly from securities issues statistics.

4.2 Other changes in the volume of assets

Data recorded on other changes in volume account, concerning changes in financial instruments, are preferably obtained from direct sources. From the point of volume, the most significant other changes in financial instruments (based on experience of compilation of annual accounts for general government) result from write-off of receivables and from changes in sector classification.

4.3 Valuation of financial instruments

At the present time market valuation principle is not respected in a full accordance with ESA 95, but cooperation between CZSO and CNB concerning the method of revaluation of prices into market value is being in process. For the time being, data on item AF/F.511 is recorded at market price; however other data on stocks of financial assets and liabilities are supposed to be obtained at bookkeeping prices. For unquoted equities the book value is recorded where no market valuation is available.

4.4 Accrual accounting and recording of interest

All interests are recorded under the corresponding financial instruments in accordance with ESA 95.

Interests on deposits and banking loans should be recorded under the financial instruments in compliance with practice of banking statistics and their bookkeeping. Accounting rules for institutional units other than banks allow recording of interests as other receivables. The issue of recording interests connected with securities other than shares or foreign loans, is problematic. The CZSO is responsible for EDP notification and debt reported under this procedure is required to be at nominal value, thus the rule for recording of interest differs from the practice required by ESA 95. This heterogeneity in methodology means an additional requirement concerning collection of data, their processing, as well as financial and personnel resources, which are limited. CZSO obtains data on accrual interests (for central government only) from Government Debt Management Unit of MoF.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

An interpolation based on annual data about structure of assets/liabilities is supposed to be applied on the obtained quarterly data. As mentioned in chapter 2, the sources of quarterly data are not structured

as required by the ESA 95 methodology. The structure of assets/liabilities collected through annual statistical surveys (annual statistical questionnaire for government units VI 1-01) is used for modifying the assets/liabilities structure of quarterly data therefore. This applies also to the counterpart information and consolidation items.

4.5.2 Extrapolation methods

Not used.

4.5.3 Other methods - adjustment of source data for compilation

Estimation methods must be used mainly for the structure of financial assets/liabilities, because the source data obtained from financial statements are not structured in a full accordance with ESA 95. The structure of financial assets/liabilities recorded in QFAGG is corrected after compilation of annual accounts for general government sector when the relevant period is finished. The annual accounts, where the source data are obtained from statistical statements, are in a full accordance with ESA 95 regarding the structure as well as the valuation principle applied to financial assets/liabilities.

4.6 Consolidation methods¹⁹

Consolidated quarterly data are derived from consolidated annual data and amount of consolidation is provided directly by units or is estimated.

4.7 Conversions (euro, foreign currency)

Source data are in national currency as well as the set of national accounts compiled and the data transmitted.

4.8 Revisions policy or coherence between provisional and final statistics

Revisions of QFAGG will be made along with revisions of annual accounts, when compiling annual accounts, and along with compilation of EDP. Metadata on revisions have not been provided yet.

¹⁹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Annual sources data are basis for revision of quarterly non-financial and financial accounts.

In spite of zero annual discrepancy, for the time being it is not possible to eliminate the discrepancy between quarterly non-financial and financial accounts completely. The reason is different time of recording of non-financial and financial items within year as described above. The system of recording data will be improved gradually to ensure the consistency between both data sets. It is needed to use supplementary information by individual questioning in case of some inconsistencies in individual units.

5.2 Coherence between quarterly and annual data

Data sources for QFAGG and FINA (annual financial accounts) are the same. Discrepancies when appear are due to vintage issues.

Annual statistics for the 1st EDP notification purpose (in April) for n-1 - is derived from quarterly data, in the case of some government units (especially public universities, the Vine-grower fund in S.1311 and health insurance companies - S.1314). Annual statistics for budgetary and semi-budgetary organizations, state funds and remaining government units is based on annual financial statements. However, the remaining units provide preliminary annual financial statements. Annual statistics for years n-2, n-3 is based on annual data (including the methodological adjustments, which are generally different, especially as to the calculation of gross capital formation).

5.3 Comparability with government debt²⁰

QFAGG data are consistent with Q-debt data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG is main input for MUFA; therefore full consistence of QFAGG and MUFA is ensured. Though discrepancies between MUFA and QFAGG should not exist, information from the CNB relating to banking statistics and on balance of payments statistics may have an impact on net financial transaction of government. Some entries of these statistics can be more accurate than data obtained

²⁰ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

from government financial statements, especially from financial statements of budgetary and semi-budgetary organizations, including the State budget.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities				X	
between financial and non financial accounts		X			
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP				X	

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Consistency checks between quarterly financial and non-financial data as well as between quarterly and annual financial data are systematically conducted. Other plausibility checks are intended to be made in future.

6.3 Major events monitoring

6.3.1 Major event in transactions

Recent large transactions are documented. The largest are as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Increasing of deposits of National Property Fund as a consequence of unquoted shares sale of state organizations (remaining share of SPT Telecom and other projects) to private ownership - privatization process.	05Q02	88 678.00	2.96
F.33	Long-Term	Liabilities	National authorities	New issue of state bonds in a holding of an institution State financial Assets and Liabilities.	04Q02	74 741.00	2.65
F.5	-	Assets	National authorities	Unquoted shares sale of state organizations (remaining share of SPT Telecom and other projects) to private ownership - privatization process.	05Q02	-96 327.00	3.22

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Major events in other economic flows (OEF)

OEF are documented on recent quarters. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Increase of AF.29 and decrease of AF. 22 and AF.79 as a consequence of change of methodology of reporting of deposits in central budgetary organisations in line with Money and Banking Statistics.	06Q01	58272.00	1.80

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

DENMARK

I Institutional arrangements

1.1 Compiling institutions

Statistics Denmark's Government Finance Statistics Division is responsible for the development of methodology, compilation and dissemination of QFAGG. The Danish central bank (Danmarks Nationalbank) disseminates quarterly balance sheets for the general government sector using Statistics Denmark as a direct source.

1.2 Publication policy

The data fulfill the Regulation. Statistics Denmark publishes consolidated and non-consolidated data annually for S.13, S.1311, S.1313, S.1314 and consolidated quarterly data for S.13. All data are at present published at the aggregation level F.1-F.7 and for that reason no sub-categories are published.

Website (in English and Danish) Internet addresses:

General site at : <http://www.dst.dk/>

Detailed data at <http://www.statbank.dk> - Public finance - Financial accounts - OFF13 (annual) and OFF22 (quarterly).

Paper publication: titles "Statistisk Efterretning" (the Danish title) and News from Statistics Denmark (both publications are in Danish).

1.3 Publication timeliness

Within 3 months (approximately 86 days). The third quarter is published 2 weeks earlier due to the Christmas holidays.

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information²¹

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MO	MO	ON	MO	ON	MO	MO	MO (S)	MO	ON	MO
	Stocks	MO	MO	ON	MO	ON	MO	MO	MO (S)	MO	ON	MO
CG bodies	Transactions	MO	MO	MO	MO	MO	MO	MO	MO (S)	MO	MO	MO
	Stocks	MO	MO	MO	MO	MO	MO	MO	MO (S)	MO	MO	MO
Local Government												
Transactions		MO	MO (S)	MO	MO	MO	MO	MO	MO	MO	MO	MO
Stocks		MO	MO (S)	MO	MO	MO	MO	MO	MO	MO	MO	MO
Social Security Funds												
Transactions		MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO
Stocks		MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO

²¹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	MO	ON	MO	ON	ON	ON	ON	MO
	Stocks	ON	ON	ON	MO	ON	MO	ON	ON	ON	ON	MO
CG bodies	Transactions	MO	MO	MO	MO	MO	MO	MO	MO (S)	MO	MO	MO
	Stocks	MO	MO	MO	MO	MO	MO	MO	MO (S)	MO	MO	MO
Local Government												
Transactions		MO	MO (S)	MO	MO	MO	MO	MO	MO	MO	MO	MO
Stocks		MO	MO (S)	MO	MO	MO	MO	MO	MO	MO	MO	MO
Social Security Funds												
Transactions		MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO
Stocks		MO	MO	MO	MO	MO	MO	MO	MO	MO	MO	MO

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	MO	IN	MO	MNO
	Stocks	MO	IN	MO	MNO
CG bodies	Transactions	MO	IN	MO	MNO
	Stocks	MO	IN	MO	MNO
Social Security Funds					
Transactions		MO		MO	MO
Stocks		MO		MO	MO

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	ON	IN	MO	MNO
	Stocks	ON	IN	MO	MNO
CG bodies	Transactions	MO	IN	MO	MNO
	Stocks	MO	IN	MO	MNO
Social Security Funds					
Transactions		MO	MO		MO
Stocks		MO	MO		MO

2.1 Direct sources

The main sources are from detailed accounting systems.

2.1.1 Central government

Detailed accounting systems, monthly basis.

2.1.2 State government

Not applicable.

2.1.2 Local government

Detailed accounting systems, quarterly basis.

2.1.3 Social security funds

Detailed accounting systems, quarterly basis.

2.2 Indirect sources

2.2.1 Money and banking statistics

Are on a quarterly basis:

- Central government unquoted bonds from the Ministry of Finance,
- Central government stocks and flows of quoted and unquoted shares from the Ministry of Finance and banks,
- Quotations from the Nordic Exchange (OMX) for all the sectors,
- Local government loans from Kommunekredit (financial institution offering loans to local government),
- Local government stocks of shares from the Nordic Exchange (OMX)
- Green bonds (Grønne obligationer) from the Ministry of Finance and Realkredit Danmark,
- Social security funds stocks of shares and bonds from banks.

An additional detailed account of central government purchases and sales of shares are provided by the Ministry of Finance on an annual basis.

2.2.2 Balance of payments statistics

Central government debt (domestic and foreign) comes from Danmarks Nationalbank on a monthly and a quarterly basis.

2.2.3 Securities issues statistics

2.2.4 Other financial intermediaries statistics

Data on the Social Pensions Fund (Den Sociale Pensionsfond (DSP)) is received from Danmarks Nationalbank on a quarterly basis.

2.2.5 Non-financial corporations balance sheets

Valuations of central government's ownership of unquoted shares are based on the balance sheets of the corporations concerned and information from central government accounting systems on a quarterly/annual basis.

2.3 Other financial data

III Data coverage

3.1 Delimitation of general government (sector boundary)

The sector general government (S.13) includes all institutional units which are other non-market producers whose output is intended for individual and collective consumption and mainly financed by compulsory payments made by units belonging to other sectors and/or all institutional units principally engaged in the redistribution of national income and wealth.

To fulfil the criteria from ESA95 the following changes are made in the balance sheets:

- Removing some institutional units (for example companies that are owned by the state but act like private companies),
- Adding some institutional units (for example private schools and the Danish state church, i.e. NPI-units financed and controlled by government).

Sub-sector central government (S.1311) includes institutions financed by the State and the church. It includes the judiciary, legislature, ministries, state church and government agencies.

Sub-sector local government (S.1313) comprises municipalities, county councils, institutions financed by local governments and local government organizations.

Sub-sector social security funds (S.1314) comprises Unemployment Funds and Employees Guarantee Fund. The sector also included Special Pension Fund (SP) until 1st quarter 2002, when SP was moved to S.123.

3.2 Coverage of financial instruments

Financial accounts in Denmark are compiled according to the guidelines in the European System of Accounts, ESA95. Financial accounts consist of financial stock and flow accounts with the assets and liabilities divided into a number of financial instruments. The accounts are produced both consolidated and unconsolidated and valued at market prices.

The Danish system covers:

Opening balance sheet account, Financial account, Other changes in volume account, Revaluation account, Closing balance sheet account. The financial instruments are divided into: Monetary gold and special drawing rights (SDR), Currency and deposits, Securities other than shares, Loans, Shares and other equity, Insurance technical reserves, Net equity of households in life insurance reserves and in pension funds reserves, Prepayments of insurance premiums and reserves for outstanding claims, Other accounts receivable/payable.

3.3 Breakdown by original maturity

Short-term (less than or equal to a year) and long-term (more than a year) are separated.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Counterpart information is based on the central government detailed accounting system and on MFI statistics provided by Danmarks Nationalbank.

3.4.2 State government

Not applicable.

3.4.3 Local government

Counterpart information is based on the local government detailed accounting system and on MFI statistics provided by Danmarks Nationalbank.

3.4.4 Social security funds

Counterpart information is based on the funds detailed accounting system and on MFI statistics provided by Danmarks Nationalbank.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

For general government and its sub-sectors the data sources make it possible to find the transactions between the sectors. An example is the local government holding of central government issued bonds which is removed in the consolidation process between S.1311 and S.1313.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Coverage for transactions between general government and other sectors is based on the central government detailed accounting system and on MFI statistics provided by Danmarks Nationalbank.

3.7 Breaks in time series (former comparability over time)

Occasional data revision ensures comparability over time.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ²²

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FF	FF	FF	FF	FF	FF	FS	FF	FS	FF	FF
	Stocks	SF	SS	SF	SS	SS	SF	SS	SS	SS	SS	SF
CG bodies	Transactions	FF	FF	FF	FF	FF	FF	FS	FF	FS	FF	FF
	Stocks	SF	SS	SF	SS	SS	SF	SS	SS	SS	SS	SF
Local Government												
Transactions		FF	FF	FF	FF	FS	FF	FF	FF	FF	FF	FF
Stocks		SF	SF	SF	SF	SS	SF	SF	SF	SF	SF	SF
Social Security Funds												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS

²² Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FF	FF	FF	FF	FF	FF	FF	FF	FF	FF	FF
	Stocks	SS	SS	SS	SS	SS	SF	SS	SS	SS	SS	SS
CG bodies	Transactions											
	Stocks											
Local Government												
Transactions		FF	FF	FF	FF	FF	FF	FF	FF	FS	FF	FF
Stocks		SS	SS	SS	SF	SS	SS	SS	SS	SS	SS	SS
Social Security Funds												
Transactions		FS	FF	FF	FF	FF	FF	FF	FF	FF	FF	FF
Stocks		SS	SS	SS	SS	SS	SF	SS	SS	SS	SS	SF

4.1.1 Financial transactions

The compilation system at present only handles transactions on a net flow basis and does not include registration of gross buying and selling of financial assets and liabilities.

4.1.2 Ensuring consistency between stocks and flows

Financial accounts make up a consistent system, showing the financial flows and net worth of the general government sector of the economy over time. The financial account for the general government sector, the financial (transactions) account, describes an important part of the transition from the opening balance sheet account to the closing balance sheet account. Because the financial instruments are valued at market price, another important part of the transitions is made up by revaluations, which are shown in the revaluation account. The remaining part is found in the account of other changes in volume, showing e.g. losses on debtors and re-classification of units between sectors. As a general rule opening balance sheet + financial transactions + revaluations + other change in volume = closing balance sheet should always hold.

4.1.3 Revaluations

Because the financial instruments are valued at market price, an important part of the transitions is made up by revaluations. These are based directly on balance sheet information or are calculated from

transactions, and opening and ending balances reported at market prices. In cases where sources do not report transactions at current market prices, transactions and thus revaluations are estimated from average market prices for the quarter concerned. Although registered separately in our compilation system the revaluation account and the account of other change in volume are published as one aggregate in the Danish system.

4.2 Other changes in the volume of assets

The account of other changes in volume is for example showing losses on debtors and re-classification of units between sectors.

4.3 Valuation of financial instruments

To a certain extent balance sheet data are reported at market prices. In these cases we do not make any changes to fulfil the market valuation principle. For some data, the nominal and market values are equal (for example loans). For the remaining data we calculate the market price using information about for example the stocks and flows of bonds. Changes in market values are registered in the revaluation account. Unquoted equity is valued mostly using the equity method, by considering own funds at market value and in part by using cumulated flows (which are not revalued).

4.4 Accruals accounting & recording of interest

Accrual principle is applied. For example the accrual principle leads to significant differences between paid taxes and assessed taxes on a quarterly basis compared to reporting of paid and assessed taxes on an annual basis. We deal with these differences in the process of vertical balancing with the non-financial accounts. For the financial links with the financial sector our sources indicate that the interests are in accordance with the accrual principle. For AF.2 and AF.41 liabilities of general government accrued interest is not included in the underlying instrument, but under payables. Debtor approach is followed.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

In the process of vertical balancing with the non-financial accounts we interpolate by adding values for f.x. accrual accounting in other accounts receivable/payable (AF.79).

4.5.2 Extrapolation methods

Not used.

4.5.3 Other methods - adjustment of source data for compilation

The impact of swaps and the UMTS-licences is calculated.

4.6 Consolidation methods²³

In Denmark consolidation is done according to the following principles:

- Unconsolidated data for general government: no consolidation,
- Consolidated data for general government: an intra- and inter consolidation,
- Consolidated data for the sub-sectors S.1311, S.1313 and S.1314: an intra consolidation.

4.7 Conversions (Euro, foreign currency)

All data are in DKK.

4.8 Revisions policy or coherence between provisional and final statistics

The quarterly figures are being continuously revised and are not final before the equivalent annual figures are final, approximately three years after the first publication of the year in question.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

As a standard procedure before publishing a vertical balancing is made to make sure that net lending or borrowing from the non-financial and financial accounts is identical.

To fulfil the criteria from ESA95 and to end with a net lending or borrowing identical to the non-financial accounts the following changes have been introduced in the balance sheets:

- Removal of some institutional units such as for example companies owned by the state but acting like private companies,
- Addition of some institutional units such as for example private schools and the Danish state church, i.e. NPI-units financed and controlled by government.

Accrual accounting is calculated and discrepancies are classified. Unknown discrepancies are placed in other accounts receivable/payable (F.79) to ensure that our net lending or borrowing is identical to the non-financial net lending or borrowing.

²³ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated.

5.2 Coherence between quarterly and annual data

The differences are generally small except on the instrument F4/AF.4 for the period 1999-2002.

5.3 Comparability with government debt²⁴

QFAGG data are mainly consistent with quarterly debt data except for long-term loans where we observe small deviations. Moreover, the comparison of the data revealed one methodological issue: for deposits and short-term loans the accrued interests are apparently not recorded under the underlying instrument. Work has been initiated to adjust the compilation system so that accrued interests are recorded under the underlying instruments.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

Marginal differences arise from rebalancing other instruments. E.g. for the instrument AF.331 MUFA uses other sources than QFAGG, e.g. the International Investment Position and the Securities database. This difference is compensated for in the instrument AF.332, so that the sum of the two instruments (AF.33) does not differ in the two statistics. This is also the case for AF.52 (compensated for in AF.512), AF.71 and AF.79.

The QFAGG is the main input for MUFA statistics in Denmark, because the QFAGG gives a full picture of the GG sector and is therefore an important input to the MUFA process. It would be preferred if the two statistics were aligned as the result should be the same. Any difference between the two statistics should be completely accounted for, so that no questions can arise, while interpreting the two.

Statistics Denmark will work towards an alignment of the statistics. Any major problems found in the MUFA process should be taken into the compilation of MUFA statistics and afterwards taken into the compilation of QFAGG statistics.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts	X			

²⁴ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

1.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)		X			

6.3 Major events monitoring

6.3.1 Large transactions

Recordings of large transactions are validated and large transactions are noted in the data transmissions. The largest is as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
700	-	Assets	Eurostat	Management of statistical discrepancy	03Q01	-70353	-5.0

*Values are in millions of national currency. There are no transactions above the threshold (2.4 %).

6.3.2 Other economic flows (OEF)

OEF are reported to Eurostat. The largest is as follows:

ESA code s	Maturity	Assets/li- abilities	Source	Explanation	Referen- ce period	Amount * (total series)	% of GDP
F.4	Short- Term	Assets	National authorities	Change in registration of loans between central government departments.	03Q01	-32 839.00	2.34

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

GERMANY

I Institutional arrangements

1.1 Compiling institutions

In Germany the Statistical Office is responsible for the non-financial data of the government sector, the NCB (Deutsche Bundesbank: financial accounts unit part of the economics department) is responsible for the financial data. Coordination meetings between the NSI that compiles the non-financial data and the NCB that is responsible for the QFAGG data have taken place since February 2006.

1.2 Publication policy

QFAGG data for general government are published on the Deutsche Bundesbank website (at the following link) within quarterly financial accounts (see “other economic data”).

http://www.bundesbank.de/statistik/statistik_zeitreihen.en.php?func=

1.3 Publication timeliness

II Statistical sources

The data of the liability side result directly from the public finance statistics and from the MFI statistics provided by the Deutsche Bundesbank. Public finance statistics comprise data for local government from the Statistical Office (Statistisches Bundesamt), data for state government from the Ministry of Finance and data for central government from the German Finance Agency (Bundesrepublik Deutschland - Finanzagentur GmbH). Most of the data of the asset side are calculated on the basis of the new public financial wealth statistics of the Statistical Office. This source was established according to the Government Finance Statistics Law which was passed in spring 2005. Transactions on the asset side in F4 and F5 (without mutual funds shares) are provided by the quarterly finance statistics (vierteljährliche Kassenstatistik).

2.0 Source Data

2.0.1 - Statistics without counterpart sector information²⁵

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	NO	MO	ON	ON	NO	NO	NO	ON	ON	n.a.	NO
	Stocks	NO	MO	ON	ON	NO	NO	NO	ON	ON	n.a.	NO
CG bodies	Transactions	NO	MO	ON	ON	NO	NO	NO	ON	ON	n.a.	NO
	Stocks	NO	MO	ON	ON	NO	NO	NO	ON	ON	n.a.	NO
State Government												
Transactions		NO	MO	ON	ON	NO	NO	n.a.	ON	ON	n.a.	n.a.
Stocks		NO	MO	ON	ON	NO	NO	n.a.	ON	ON	n.a.	n.a.
Local Government												
Transactions		NO	MO	ON	ON	NO	NO	n.a.	ON	ON	n.a.	n.a.
Stocks		NO	MO	ON	ON	NO	NO	n.a.	ON	ON	n.a.	n.a.
Social Security Funds												
Transactions		NO	ON	NO	NO	n.a.	NO	n.a.	n.a.	NO	n.a.	n.a.
Stocks		NO	ON	NO	NO	n.a.	NO	n.a.	n.a.	NO	n.a.	n.a.

Comments: German data are generally provisional because primary statistics can always be revised.

Table 1.2 Final estimate

Comments: does not exist, because primary statistics can always be revised (due to new information or methodological issues).

²⁵ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

2.0.2- Statistics with counterpart information

All of the statistics contain some counterpart information, see section 3.4.

2.1 Direct sources

Most of the data are obtained from government finance statistics.

2.1.1 Central government

All asset positions except for deposits with banks and insurance technical reserves (F.6) are based on direct sources (mainly on public financial wealth statistics as a source for stocks and quarterly finance statistics as a source for transactions). All liability positions except for currency and deposits are based on direct sources (public finance statistics).

2.1.2 State government: see 2.1.1

2.1.3 Local government: see 2.1.1

2.1.4 Social security funds

On the asset side F3 is provided by the public finance statistics and on the liability side F4 is provided by the banking statistics.

2.2 Indirect sources

2.2.1 Money and banking statistics

- Currency and deposits (asset side): for each sub-sector
- Currency and deposits (liability side): for central government – circulation and issuance of EUR-coins (from 2002 onwards the DM-coins are reported as other accounts payable).
- Loans (liability side): for each social security funds.

2.2.2 Balance of payments statistics

- Deposits (asset side): for each sub-sector.

2.2.3 Securities issues statistics

Currently not used.

2.2.4 Other financial intermediaries statistics

Insurances technical reserves (F.6) (asset side): for each sub-sector except for social security funds (source: BAFIN²⁶ - supervisory authority of insurance companies).

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

III Data coverage

3.1 Delimitation of general government (sector boundary)

Central, state, local government and social security funds in accordance with ESA95.

3.2 Coverage of financial instruments

The coverage of the various instruments (assets and liabilities) is very high.

3.3 Breakdown by original maturity

A breakdown for short-term and long-term securities as well as short-term and long-term loans is available.

3.4 Counterpart information for the sub-sectors

On the asset and liability side some counterpart information within the government sector (mainly on a yearly basis) is available. It is used for consolidation. Information for counterparts besides the government sector has to be checked in detail and a deeper research (together with the producers of the primary data) is necessary.

3.4.1 Central government

F.3. (assets/liabilities) : vis-à-vis sub sectors of S.13

²⁶ Bundesanstalt für Finanzdienstleistungsaufsicht

F.42 (assets/liabilities): vis-à-vis sub sectors of S.13

3.4.2 State government

F.3. (assets/liabilities) : vis-à-vis sub sectors of S.13

F.42 (assets/liabilities): vis-à-vis sub sectors of S.13

3.4.3 Local government

F.3. (assets/liabilities) : vis-à-vis sub sectors of S.13

F.42 (assets/liabilities): vis-à-vis sub sectors of S.13

3.4.4 Social security funds

F.3. (assets/liabilities) : vis-à-vis sub sectors of S.13

F.42 (assets/liabilities): vis-à-vis sub sectors of S.13

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Not applicable.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

See section 3.4.

3.7 Breaks in time series (former comparability over time)

There are no breaks in the time series.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ²⁷

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS/FF	FS	FF	FF	FS	FS/FF	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS/SF	SS/SF	SS	SS/SF	SS	SS	SS	n.a.	SS
CG bodies	Transactions	FS/FF	FS	FF	FF	FS	FS/FF	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS/SF	SS/SF	SS	SS/SF	SS	SS	SS	n.a.	SS
State Government												
Transactions		FS/FF	FS	FF	FF	FS	FS/FF	n.a.	FS	FS	n.a.	FS
Stocks		SS	SS	SS/SF	SS/SF	SS	SS/SF	n.a.	SS	SS	n.a.	SS
Local Government												
Transactions		FS/FF	FS	FF	FF	FS	FS/FF	n.a.	FS	FS	n.a.	FS
Stocks		SS	SS	SS/SF	SS/SF	SS	SS/SF	n.a.	SS	SS	n.a.	SS
Social Security Funds												
Transactions		FS/FF	FS	FS	FS/FF	n.a.	FS/FF	n.a.	n.a.	FS	n.a.	n.a.
Stocks		SS	SS/SF	SS	SS	n.a.	SS/SF	n.a.	n.a.	SS	n.a.	n.a.

Comments: see remarks at 2.0.1

Table 3.2 Final estimate

²⁷ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Comments: see remarks at 2.0.1.

4.1.1 Financial transactions

Transactions are generally derived from stocks (at nominal value).

4.1.2 Ensuring consistency between stocks and flows

Consistency between stocks and flows is ensured by consistency checks.

4.1.3 Revaluations

Revaluations are taken into account for marketable instruments.

4.2 Other changes in the volume of assets

Other changes in volume are only taken into account for loans on the liability side.

4.3 Valuation of financial instruments

Market valuation is applied for the instruments short-term securities and long-term securities.

No data for unquoted equity government assets are available.

4.4 Accrual accounting and recording of interest

The accrual principle is only applied for saving deposits and loans (on the asset side) and accrued interests are recorded under these underlying instruments.

4.5 Interpolation, extrapolation, and other estimation methods

There is no estimation of data based on interpolation / extrapolation

4.5.1 Interpolation methods

Interpolation methods are partly applied

4.5.2 Extrapolation methods

Extrapolation methods are partly applied

4.5.3 Other methods - adjustment of source data for compilation

Other methods such as adjustment of source data for compilation are partly applied

4.6 Consolidation methods²⁸

The consolidation method takes into account securities and loans between the different sub-sectors.

4.7 Conversions (euro, foreign currency)

No special adjustment is made but the volume of the relevant positions is rather small

4.8 Revisions policy or coherence between provisional and final statistics

As far as new information for back data is available revised data are compiled and reported. Usually government finance statistics and balance of payments statistics are revised.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

In principle the Statistical Office and the Bundesbank balance non-financial and financial accounts by sub-sector. In practice the Bundesbank sets B9F (net acquisition of financial assets/net incurrence of liabilities) equal to B9 (net lending/net borrowing) of the non-financial accounts which are compiled by the Statistical Office. This is achieved by adjusting F7 (other accounts receivable) accordingly.

5.2 Coherence between quarterly and annual data

The annual accounts are automatically compiled from the quarterly data once a year. Therefore discrepancies between quarterly and annual data are due to different vintages.

²⁸ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

5.3 Comparability with government debt²⁹

QFAGG data are consistent with Q-debt data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

Since QFAGG data are a subset of MUFA data, both data sets are comparable.

VI Consistency and plausibility checks on QFAGG data

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		X			
between financial and non financial accounts				X	
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP		X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks			X		
of growth rates of flows		X			
of counterpart data in the QFAGG dataset					X
of the yield on assets and liabilities (property income / stocks)					X

²⁹ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

6.3 Major events monitoring

6.3.1 Large transactions

Large transactions are reported. No undocumented large transactions are observed. The largest is as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.7	-	Liabilities	National authorities	Large transactions due to F.4 liabilities	2000Q04	-28175	1.40

**Values are in millions of national currency. There are no transactions above the threshold (2.4 %).*

6.3.2 Other economic flows (OEF)

Large OEF are reported. No undocumented large OEF movements are observed. The largest is as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	New OEF due to the use of the changed margin for OEF (1,5 % of GDP instead of 2 % of GDP); reason for OEF: sharp increase in the stock market..	99Q04	38 184	1.90

**Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).*

ESTONIA

I Institutional arrangements

1.1 Compiling institutions

Statistics Estonia is responsible for quarterly national financial accounts of the government sector. The same unit within the same institution (NSI) is in charge of QFAGG compilation and STPFS.

1.2 Publication policy

QFAGG data are published on the website of the NSI since October 2006. All the data concerning general government financial accounts, including data by sub-sectors, are published in the statistical database in the same day as it is transmitted to the Eurostat. There are no differences between data published and the data transmitted according to QFAGG regulation.

Internet address:

http://pub.stat.ee/px-web.2001/I_Databas/Economy/08Finance/06Government_finances/06Government_finances.asp

1.3 Publication timeliness

QFAGG data on the website is updated four times a year, on the last working day of the third month after the quarter in question.

II Statistical sources

2.0 Source Data

The main data sources for compiling QFAGG are:

1. Annual balance sheets of general government;
2. Annual balance sheets of units classified into the government sector ;
3. Monthly reports on the local budget execution;
4. Monthly data on central government foreign debt;
5. Data from Ministry of Finance on Balance of Payments Net Investment Position;
6. Quarterly reports of Estonian Health Insurance Fund;
7. Quarterly investment reports of the Estonian Unemployment Insurance Fund;
8. Quarterly reports of the Estonian Unemployment Insurance Fund;
9. Money and banking statistics from the Bank of Estonia;

Additional information from the decisions of local and central government, available right after publishing (no more than a week after decision making).

2.0.1 - Statistics without counterpart sector information³⁰

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN
	Stocks	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN
CG bodies	Transactions	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN
	Stocks	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN
Local Government												
Transactions		ON	ON	ON	MNO	NO	ON		IN	IN		ON
Stocks		ON	ON	ON	MNO	NO	ON		IN	IN		ON
Social Security Funds												
Transactions		ON	ON	ON	ON	ON	ON		ON	ON		ON
Stocks		ON	ON	ON	ON	ON	ON		ON	ON		ON

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN

³⁰ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

	Stocks	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN
CG bodies	Transactions	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN
	Stocks	MNO	MNO	MNO	MNO	NO	IN		MNO	IN		IN
Local Government												
	Transactions	ON	ON	MNO	MO	NO	ON		IN	IN		ON
	Stocks	ON	ON	MNO	MO	NO	ON		IN	IN		ON
Social Security Funds												
	Transactions	ON	ON	ON	ON	ON	ON		ON	ON		ON
	Stocks	ON	ON	ON	ON	ON	ON		ON	ON		ON

2.1 Direct sources

2.1.1 Central government

Direct information is the sole source data for receivables/payables of the "State" but is not or mainly not a data source for deposits, securities liabilities and loans of central government. For deposits, security liabilities and loans, money and banking statistics and Balance of Payments statistics from the Bank of Estonia is used, while it has proved to be a credible source.

2.1.2 State government

Not applicable.

2.1.3 Local government

Direct information is the sole source data for currency and deposits, securities, loans and receivables/payables on the assets side and also receivables/payables on the liabilities side.

Mainly monthly local government budget execution reports are used. Money and banking statistics from the Bank of Estonia is used to compare the direct data.

2.1.4 Social security funds

Data for social security funds are based on the direct sources – Quarterly Reports of Estonian Health Insurance Fund and Unemployment Insurance Fund and Quarterly Investment Reports of Unemployment Insurance Fund are used.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Money and banking statistics from the Bank of Estonia is used to compile domestic AF.2, AF.3, AF.4 assets and AF.3 and AF.4 liabilities for S.1311. Direct data is only used for comparison purposes. In case of large discrepancies, detailed investigation is conducted.

2.2.2 Balance of payments statistics

Balance of payments statistics (notably Net Investment Position) is the main data source in case of S.1311 sub-sector for foreign assets of deposits, securities other than shares, loans and unquoted shares and liabilities of loans and securities other than shares. It is also used to evaluate direct sources in case of other sub-sectors.

2.2.3 Securities issues statistics

Estonia does not use securities issues statistics.

2.2.4 Other financial intermediaries statistics

Financial intermediary statistics are estimated on the basis of insurance statistics. The item does not have division into sub-sectors.

Statistics on financial leasing have been used as counterpart information.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

Not used.

III Data coverage

3.1 Delimitation of general government (sector boundary)

All the institutions defined as general government are covered. Sub-sectors contain following units:

S.1311 — includes all ministries, State Chancellery in the reach of its managerial and administrative area, the Parliament, President of the Republic, State Audit Office, Chancellor of Justice and the Supreme Court of Estonia with their units, public-legal institutions, some foundations established by central government (including hospitals founded by central government)

S.1313 — includes rural municipalities and town governments with their subordinates, municipal health care institutions

S.1314 — includes Estonian Health Insurance Fund and Estonian Unemployment Insurance Fund.

3.2 Coverage of financial instruments

All instruments are covered.

3.3 Breakdown by original maturity

Breakdown by original maturity is available only for central government liabilities (loans and securities) and social security funds assets.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Counterpart information is available on the assets side for the item F.2, partly for F.3, on the liabilities side for a part of F.4 and F.3 (loans from commercial banks and leasing companies) and for the transactions between S.1314 and S.2.

3.4.2 State government

Not applicable.

3.4.3 Local government

Counterpart information is available for F.2, F.3 and part of F.7 assets; and for F.4 and part of F.3 liabilities.

3.4.4 Social security funds

Counterpart information is available for F.2, F.3 and part of F.7 assets; and for F.4 and part of F.3 liabilities.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Transactions between sub-sectors are covered and all consolidations made.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Transactions between different sectors are covered.

3.7 Breaks in time series (former comparability over time)

All time series requested within the legal obligation have been delivered. There are no breaks in time series.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ³¹

Transactions are based on stock information for all categories.

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS	FS	FS	FS	FS	FS		FS	FS		FS
	Stocks	SS	SS	SS	SS	SS	SS		SS	SS		SS
CG bodies	Transactions	FS	FS	FS	FS	FS	FS		FS	FS		FS
	Stocks	SS	SS	SS	SS	SS	SS		SS	SS		SS
Local Government												

³¹ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Transactions	FS	FS	FS	FS	FS	FS		FS	FS		FS
Stocks	SS	SS	SS	SS	SS	SS		SS	SS		SS
Social Security Funds											
Transactions	FS	FS	FS	FS	FS	FS		FS	FS		FS
Stocks	SS	SS	SS	SS	SS	SS		SS	SS		SS

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS	FS	FS	FS		FS	FS		FS
	Stocks	SS	SS	SS	SS	SS	SS		SS	SS		SS
CG bodies	Transactions	FS	FS	FS	FS	FS	FS		FS	FS		FS
	Stocks	SS	SS	SS	SS	SS	SS		SS	SS		SS
Local Government												
Transactionss		FS	FS	FS	FS	FS	FS		FS	FS		FS
Stocks		SS	SS	SS	SS	SS	SS		SS	SS		SS
Social Security Funds												
Transactions		FS	FS	FS	FS	FS	FS		FS	FS		FS
Stocks		SS	SS	SS	SS	SS	SS		SS	SS		SS

4.1.1 Financial transactions

4.1.2 Ensuring consistency between stocks and flows

For annual data the Statistics Estonia uses an integrated source data system at a very aggregated level (B6)) for all main components of its sub sectors of general government. A more detailed level (B4) is given for "other"³² of central government and social security main unit.

For quarterly data the Statistics Estonia uses a quasi integrated source data system for all main components of its sub sectors of general government. Being at the level of B6 or B4 (social security) it is rather aggregated hence no bridge. Consistency is not ensured.

4.1.3 Revaluations

4.2 Other changes in the volume of assets

4.3 Valuation of financial instruments

Market valuation principle is not respected for the stocks of debt securities (AF.331/AF.332), which are recorded at nominal value while no market value is often available due to low market activity. For unquoted equities the book value is recorded where no market valuation is available. Very few domestic enterprises are quoted; therefore it is difficult to conduct comparisons in order to determine the possible market value.

4.4 Accrual accounting and recording of interest

Data used for the compilation of financial accounts are on an accrual basis.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

Some data for Central Government and Local Government is only available on annual basis. Therefore in some cases the quarterly stocks are calculated using annual transactions and simple interpolation – annual transactions are divided by 4 to get quarterly transactions.

³² In central government under "Other" are included bodies governed by public law, foundations belonging into central government sector and hospitals owned by central government. Information about hospitals is collected by Ministry of Social Affairs through specific reports. Therefore for year n-1 we are using estimations based on data from previous period

4.5.2 Extrapolation methods

Some data is available over 3 months after its reference period (for example annual balance sheets for General Government). Therefore extrapolation is used to evaluate this information. Due to shortness of time series no sophisticated econometric methods can be used. Hence, the trend for previous periods is used with adjustments concerning seasonality. The extrapolated information is replaced as soon as correct data is available.

4.5.3 Other methods - adjustment of source data for compilation

Money and banking statistics is used while the direct sources are not available.

4.6 Consolidation methods³³

Consolidated data at the level of sub- sectors means that the intra sub-sector transactions are eliminated; consolidated data at the level of general government means that the intra sub- sector as well as inter sub- sector flows are eliminated.

4.7 Conversions (euro, foreign currency)

4.8 Revisions policy or coherence between provisional and final statistics

Regular revisions to the quarterly financial accounts data for the general government sector are carried out once a year on the basis of the annual reports, always concurrently with the annual regular revision of the national and financial accounts data. Revised data are published in September.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Discrepancies between financial and non-financial accounts are for some quarters quite significant.

5.2 Coherence between quarterly and annual data

Quarterly data (transmitted in September 2006) and annual data (transmitted in October 2006) align perfectly.

³³ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

5.3 Comparability with government debt³⁴

QFAGG data are mainly consistent with Q-debt data. However, the comparison of the data revealed one methodological issue: short-term securities seem to be recorded at their nominal value.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG is used as input for compilation of MUFA therefore consistency is ensured.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Consistency checks are made regularly.

6.2 Plausibility checks

Plausibility checks are made regularly.

6.3 Major events monitoring

Information on major events is reported.

6.3.1 Large transactions

No undocumented large movements in transactions are observed. The largest is as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	Sale of the shares of Estonian Telekom.	99Q01	-2 481.42	3.03

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

³⁴ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

6.3.2 Other economic flows (OEF)

Large OEF are reported. Very few undocumented large OEF movements are observed. The largest are as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	Reclassification of Estonian Telecom (from unquoted shares to quoted shares).	99Q01	5 349.78	6.54
				Sum of other changes.	00Q02	-2 436.00	2.55

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

IRELAND

I Institutional arrangements

1.1 Compiling institutions

The Central Statistics Office (CSO) is responsible for the development of methodology, compilation and dissemination of QFAGG in Ireland. The accounts are compiled in the National Accounts Division (Government Accounts Unit) by one statistician and one support staff member. There is close co-operation between CSO and its data suppliers, most notably the National Treasury Management Agency (NTMA) which supplies much of the Government Debt data and also the Department of Finance, the Department of Environment, Heritage and Local Government, the Department of Health and Children, the Department of Social and Family Affairs and the Central Bank and Financial Services Authority of Ireland.

1.2 Publication policy

Quarterly data are not published.

1.3 Publication timeliness

Quarterly data are not published.

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information³⁵

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON

³⁵ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

	Stocks	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON
CG bodies	Transactions	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON
	Stocks	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON
Local Government												
	Transactions	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
Social Security Funds												
	Transactions	ON	ON	ON	ON	ON	MNO?	ON	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON	ON	MNO?	ON	ON	ON	ON	ON

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON
	Stocks	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON
CG bodies	Transactions	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON
	Stocks	ON	ON	ON	MO	ON	ON	ON	ON	ON	ON	ON
Local Government												
	Transactions	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
Social Security Funds												
	Transactions	ON	ON	ON	ON	ON	MNO?	ON	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON	ON	MNO?	ON	ON	ON	ON	ON

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	ON	ON	MO	ON
	Stocks	ON	ON	MO	ON
CG bodies	Transactions	ON	ON	MO	ON
	Stocks	ON	ON	MO	ON
Social Security Funds					
Transactions		ON	ON	ON	ON
Stocks		ON	ON	ON	ON

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	ON	ON	MO	ON
	Stocks	ON	ON	MO	ON
CG bodies	Transactions	ON	ON	MO	ON
	Stocks	ON	ON	MO	ON
Social Security Funds					
Transactions		ON	ON	ON	ON
Stocks		ON	ON	ON	ON

2.1 Direct sources

All information except Central Government shares and other equities assets are from direct sources. Central Government Shares and other equities data are compiled mostly from direct sources.

2.1.1 Central government

Almost two-thirds of data required for the compilation of the Central Government sub-sector Balance Sheets and Financial Transactions are made available to CSO by the National Treasury Management Agency (NTMA). The remaining information is supplied by the Department of Finance, supervisory Government Departments reporting to the Department of Finance, directly from Non-Market Bodies where necessary, by the Central Bank [as (A)F.5 asset counterpart and acting as Government agent regarding the issuance of euro and legacy coinage]. The Financial Statements of S.11001 entities in which CG has a shareholding are used in the compilation of the (A)F.5 assets variable. Finally, a number of other sources are used which in overall value terms are small but one is significant for (A)F.7 Accounts Receivable/Payable, viz the Annual Report of the Comptroller and Auditor General and the associated Audited Appropriation Accounts.

Breakdown of sources based on Q3 2007 QFAGG data						
Assets	NTMA	Dept of Finance	Non-Market Bodies	Central Bank [as counterpart for (A)F.512/513]	S.11001 entities [as counterpart for (A)F.5 generally]	Other
(A)F.2	11.2%	78.8%	5.1%	n.a.	n.a.	4.9%
(A)F.3	100%	0.0%	0.0%	n.a.	n.a.	0.0%
(A)F.4	2.2%	7.8%	90.0%	n.a.	n.a.	0.0%
(A)F.5	63.4%	0.4%	0.6%	4.7%	29.5%	1.4%
(A)F.7	0.0%	71.9%	5.5%	n.a.	n.a.	22.6%
As % of Total Assets	42.6%	27.1%	9.3%	2.3%	14.8%	3.9%

Liabilities	NTMA	Dept of Finance	Non-Market Bodies	Central Bank [as CG agent for counterpart for (A)F.21 coinage and (A)F.7 legacy coinage]	S.11001 entities	Other
(A)F.2	81.6%	10.1%	0.0%	8.3%	n.a.	0.0%
(A)F.3	92.2%	0.0%	7.8%	n.a.	n.a.	0.0%

(A)F.4	20.8%	0.4%	78.8%	n.a.	n.a.	0.0%
(A)F.7	3.5%	33.2%	30.3%	2.8%	n.a.	30.2%
As % of Total Liabilities	83.1%	3.9%	9.4%	1.3%	n.a.	2.3%
As % of Total Assets plus Total Liabilities	64.3%	14.6%	9.4%	1.8%	6.9%	3.0%

Sources:

Assets	NTMA	Dept of Finance	Non-Market Bodies	Central Bank [as counterpart for (A)F.512/513]	S.11001 entities [as counterpart for (A)F.5 generally]	Other
(A)F.2	<ul style="list-style-type: none"> Extra-Budgetary Fund returns <ol style="list-style-type: none"> National Pension Reserve Fund return Dormant Accounts Fund return Post Office Savings Bank Fund return Non-resident asset and foreign debt return compiled for Balance of Payments purposes (but also made available to CSO Govt Financial Accounts Unit) 	<ul style="list-style-type: none"> Exchequer Statement of Deposits Dept of Finance Finance Accounts EU transfers data from Department of Finance Community Support Framework/ EU Structural Fund Unit 	<ul style="list-style-type: none"> From the various Non-Market Bodies 	n.a.	n.a.	<ul style="list-style-type: none"> Annual Report of the Comptroller and Auditor General and the associated Audited Appropriation Accounts. Insurance Statistical Review issued by the Financial Regulator
(A)F.3	<ul style="list-style-type: none"> National Pension Reserve Fund return 	NIL	NIL	n.a.	n.a.	NIL
(A)F.4	<ul style="list-style-type: none"> Post Office Savings Bank Fund (EBF) return Accounts of Ulysses Securitisation plc (an SPV) 	<ul style="list-style-type: none"> Dept of Finance Finance Accounts 	<ul style="list-style-type: none"> From the various Non-Market Bodies 	n.a.	n.a.	NIL

	<ul style="list-style-type: none"> Central Treasury Service return 					
(A)F.5	<ul style="list-style-type: none"> National Pension Reserve Fund (EBF) return 	<ul style="list-style-type: none"> Dept of Finance Finance Accounts Data relating to residual shareholdings following privatisations Annual Report of the Comptroller and Auditor General and the associated Audited Appropriation Accounts. 	<ul style="list-style-type: none"> From the various Non-Market Bodies 	<ul style="list-style-type: none"> Central Bank return regarding its equity liability to CG 	<ul style="list-style-type: none"> Interpolations of data extracted from the Annual Financial Statements of the 30 entities classified to S.11001 	<ul style="list-style-type: none"> Annual Report of the Comptroller and Auditor General and the associated Audited Appropriation Accounts.
(A)F.7	<ul style="list-style-type: none"> Dormant Accounts Fund (EBF) return 	<ul style="list-style-type: none"> Department of Finance Exchequer Statements EU transfers data from Department of Finance Community Support Framework/ EU Structural Fund Unit Revenue Commissioners Returns from Government line Departments 	<ul style="list-style-type: none"> From the various Non-Market Bodies 	n.a.	n.a.	<ul style="list-style-type: none"> Annual Report of the Comptroller and Auditor General and the associated Audited Appropriation Accounts. Insurance Statistical Review issued by the Financial Regulator

Liabilities	NTMA	Dept of Finance	Non-Market Bodies	Central Bank [as counterpart for (A)F.512/513]	S.11001 entities [as counterpart for (A)F.5 generally]	Other
(A)F.2	<ul style="list-style-type: none"> Non-resident asset and foreign debt return compiled for Balance of Payments purposes (but also made available to CSO Govt Financial Accounts Unit) – Reconciliation section of return which contains nominal National Debt items on quarterly basis Post Office Savings Bank Fund (EBF) return 	<ul style="list-style-type: none"> Interpolation of Dept of Finance Annual data on the so called 'Small Savings' accrual (i.e. the accrual on Savings Certificates, National Instalment Savings and Savings Bonds, instruments available for purchase through the Post Office network) 	NIL	<ul style="list-style-type: none"> Central Bank data re euro coinage outstanding 	n.a.	NIL
(A)F.3	<ul style="list-style-type: none"> Data on domestic borrowing by way of Security other than Shares is supplied directly by NTMA on National Loans (i.e. Long-term Government Bonds), Exchequer Bills and Notes. Foreign debt return as compiled for Balance of Payments purposes (but also made available to CSO Govt Financial Accounts Unit) 	NIL	<ul style="list-style-type: none"> Quarterly returns from the Housing Finance Agency as issuer of Short and Long-term securities other than shares 	n.a.	n.a.	NIL
(A)F.4	<ul style="list-style-type: none"> Non-resident asset and 	<ul style="list-style-type: none"> Dept of Finance 	<ul style="list-style-type: none"> From the various 	n.a.	n.a.	NIL

	<i>foreign debt return compiled for Balance of Payments purposes (but also made available to CSO Govt Financial Accounts Unit)</i> – Borrowings from the EIB • Return regarding Sale and Repurchase Agreements (REPOs)	<i>returns regarding some very small finance leases</i>	<i>Non-Market Bodies</i>			
(A)F.7	• Dormant Accounts Fund (EBF) return • Post Office Savings Bank Fund (EBF) return	• Accruals relating to Government line Departments including in relation to EU transfers	• From the various Non-Market Bodies	• Central Bank returns relating to legacy/pre-euro Irish coinage	n.a.	• Annual Report of the Comptroller and Auditor General and the associated Audited Appropriation Accounts.

In addition to the main published sources referred to in Section 1.1 (1) and 1.1.1 (e) above (White Paper on Receipts and Expenditure, Budget Book, Revised Estimates Volume, Appropriation Accounts, Finance Accounts), the Department of Finance requests specific data from supervisory Government Departments in relation to the liabilities and certain financial assets of local authorities, health boards, other local agencies, non-commercial state bodies and other relevant state bodies. The data collected consists of:

- gross liabilities to Central Government, to the rest of General Government and to the private sector. Private sector debt is broken down into: bonds; other debt with original maturity less than one year; and other debt with original maturity of greater than one year.
- gross debts guaranteed by Central Government
- deposits with Central Government, with the rest of General Government and with the private sector.

Adjustments to the data sources that may be needed in order to value debt according to the specific EDP rules for each government sub-sector:

The vast majority of data required for the compilation of the gross debt (stock) of each sub-sector and of the contribution which the debt of each sub-sector makes to General Government Gross Debt (and hence GGGD itself) are directly available at nominal value, and no adjustments are necessary. A very high proportion is directly reported by the NTMA (approximately 96% of GGGD in 1999, 90% in 2003) with the vast majority of this data being reported at nominal value. For the small remainder, the Agency supplies the information necessary to adjust the data to nominal value.

2.1.2 State government

Not applicable.

2.1.3 Local government

The Local Government sub-sector consists of all bodies established for the purpose of local administration: Local Authorities, Health Boards (up until their abolition at 31.12.2004) and Vocational Education Committees (VECs). The sub-sector is funded primarily by grants from Central Government. (Note: The 11 Regional Health Boards were abolished with effect from 1st January, 2005 and have been replaced by a single body, the Health Service Executive (HSE), which is responsible for the delivery of health services nationwide. The HSE is considered a unit of Central Government and its activities are included in the accounts of S.1311 Central Government)

A new Local Authority Financial Management System (FMS) was adopted in 2004/5 from which Local Authority Balance Sheet data has become available on a phased basis. In advance of this FMS data coming fully on-stream, the Department of Environment, Heritage and Local Government (DoEHLG) conducted and continues to conduct a special inquiry, specifically established for EDP purposes but extended to a quarterly timeliness for QFAGG and STPFS purposes, which collects information on the end-quarter stock values of the different financial assets and liabilities of Local Authorities. The information on the end-quarter stock positions is used to estimate the value of transactions in financial assets and liabilities and using the resulting net lending/borrowing for the quarter to corroborate the net/lending borrowing coming from the "above the line" which is reported in the quarterly non-financial government accounts.

Health Boards, abolished with effect from 1 January 2005 were responsible for the administration of health services in local areas. They were monitored and controlled by the Department of Health and Children, and are mainly financed by grants from the Exchequer. Under Section 8 of the Health (Amendment) No 3 Act, 1996 (<http://www.irishstatutebook.ie/ZZA32Y1996S8.html>) the Minister for Health and Children specifies the ceiling for the expenditure that could be incurred by a health board and specified the maximum amount of debt which the board could incur. The purpose of allowing health boards to borrow was mainly to allow them some liquidity in the management of expenditure. With effect from 1 January 2005 a single body, known as the Health Service Executive, took over the functions of the existing health boards. Quarterly balance sheet data were never available up to their abolition at end-2004 hence interpolation estimates based on annual data were made up to that juncture.

VECs are statutory committees of Local Authorities, although they have their own corporate status under the Vocational Education Act, 1930 <http://www.irishstatutebook.ie/ZZA29Y1930.html>. VECs are monitored and controlled by the Department of Education and Science. They are responsible for managing vocational schools (second level) in local areas and are financed partly from local rates (property tax on commercial property) and partly from Exchequer grants. Under the 1930 Act, a vocational education committee may, with the consent of the Minister for Education and Science, borrow by means of bank overdraft or otherwise for the purposes of the vocational education fund which it maintains.

VEC balance sheet data are not yet available quarterly and hence interpolated estimates are made. VECs are understood to have relatively small end-quarter balance sheet positions relative to the overall size of the Local Government sub-sector.

2.1.4 Social security funds

The only social security scheme recognised in the Irish National Accounts is the social insurance scheme administered through the Social Insurance Fund (SIF). This scheme has to date been unfunded. The income of the Social Insurance Fund derives mainly from Pay-Related Social Insurance (PRSI) contributions by employees, employers and self-employed persons. Contributions received in one period are used to meet expenditures in the same period and the Government makes up any shortfall in the Fund. Membership of the Social Insurance scheme is compulsory for most employees and self-employed. They must pay social contributions that entitle them to receive social benefits such as the State Pension, Illness Benefit and Jobseekers Benefit. Government sets the contribution and benefit rates as part of the annual budgetary process. The amounts of the social benefits payable are not directly linked to either the level of earnings or to the value of the contributions paid. However, a member must satisfy certain contribution criteria in order to receive benefits.

Data for the Social Insurance Fund are provided by the Department of Social and Family Affairs (DSFA) in its role as manager of the Fund's current account, and by the NTMA as manager on behalf of the Minister for Finance of the accumulated surplus in the Fund. The NTMA commenced management of the accumulated surplus of the Fund in July 2001, with performance being measured against a benchmark agreed with the Minister for Finance.

Until 1996, an Exchequer contribution had normally been required to meet the shortfall on the SIF. However, no Exchequer contribution has been required since 1997 as the SIF has consistently been in surplus. The projected accumulated surplus at end-2007 is some €1.1 billion.

Preliminary details of the previous year's outturn and the forecast for the current year of the receipts and expenditures of the SIF are published each year in the Revised Estimates for the Public Services under the Vote for the DSFA. Audited accounts of the SIF are subsequently prepared by the DSFA.

2.2 Indirect sources

These sources are not used in Ireland.

2.3 Other financial data

These sources are not used in Ireland.

III Data coverage

Existing data sources allow full coverage of sub-sectors. Concerning instrument coverage, financial derivatives (swaps, forward transactions, etc.) are not included.

3.1 Delimitation of general government (sector boundary)

Sectoral delimitation issues are examined on a case by case basis by the convening of an expert panel within CSO consisting of staff from the Non-Financial Government Accounts Unit and the Financial Accounts Unit. Factual information upon which delimitation decisions can be based is sourced from relevant arms of Government, particularly the Department of Finance and the National Treasury Management Agency (NTMA). Decisions on borderline cases are arrived at by applying the principles of the ESA95 Manual on Government Deficit and Debt and also ESA95. Where the facts presented appear inconclusive, CSO consults with Eurostat to seek its opinion. The procedure as outlined ties in with CSO responsibility for advising the Department of Finance and other public bodies on the treatment of Government financial and non-financial transactions in the context of Excessive Deficit Procedure (EDP).

In Ireland Central government (S.1311) entities are:

- Government Departments (Ministries), funded by the Exchequer;
- Non-market grant-aided bodies. In principle, these are regarded as institutional units. They are controlled and funded almost entirely from the Exchequer; and
- Various extra-budgetary funds for which separate accounts are maintained and which are directly administered by Departments (or in some cases by the NTMA), for example the National Pensions Reserve Fund (NPRF).

The sector does not include public corporations or enterprises engaged in the production of market services or goods.

Local government sub-sector (S.1313) consists of all bodies established for the purpose of local administration:

- Local Authorities, Regional Health Boards (relevant for pre-2005 data only as a Central Government Unit known as the Health Service Executive (HSE) took over full operational responsibility for running the country's health and personal social services from the Regional Health Boards on January 1, 2005.)
- Vocational Education Committees (VECs) (county based authorities which control and run certain second and third level schools and colleges). The sub-sector is funded primarily by grants from Central Government.

The Social Security Funds sub-sector (S.1314) consists solely of the Social Insurance Fund (SIF). The Social Insurance element of Pay Related Social Insurance (PRSI) contributions by employees, employers and self-employed persons is paid into the SIF and does not form part of the revenues paid into the Central Fund (Exchequer). The SIF is administered by the Department of Social and Family Affairs (D/SFA).

State Government (S.1312) is not applicable for Ireland.

3.2 Coverage of financial instruments

QFAGG data are compiled according to the ESA95. Balance sheet and financial transaction data are reported and transmitted to Eurostat and ECB under the Regulation.

All instrument categories required under the Regulation for each sub-sector of government are transmitted except "Prepayments of insurance premiums and reserves outstanding" [(A)F.62] for the

central government sub-sector. Central government in Ireland is generally its own insurer (i.e. it covers its own non-life insurance related risks) but there may be certain local insurance arrangements in certain Departments/Offices of State for which no data is currently being compiled.

Comments on some individual instrument classes are as follows:

(A)F.2, *Central government deposit liabilities* (which in Ireland consist of the so-called “small savings” - Savings Certificates, Prize Bonds, National Instalment Savings and Savings Bonds) - the amount of the liability includes accrued interest when it is actually credited to the instrument holder. This is in accordance with *ESA95 Manual on Government Deficit and Debt*, Part V.1 b, Bullet point 1.

Loans (A)F.4 are recorded at nominal value.

The State's equity in the Central Bank of Ireland is captured under (A)F.5, along with equity held by government in Public Corporations.

(A)F.7 data is of lower quality than for data reported for the other ESA instrument categories. A significant portion of the data is obtained from the *Appropriation Accounts* which are published by the National Court of Auditors, the Comptroller and Auditor General. These *Accounts* are an end of year statement of the spending by Departments and Offices of State of the moneys voted by the Irish Parliament but also feature a balance sheet for each Department/Office. These data are only available annually and hence interpolation and extrapolation is necessary. Similarly (A)F.7 data related to the Insurance Compensation Fund³⁶ which are published by the Irish Financial Services Regulatory Authority (IFSRA) are only available annually to CSO. The other principal components of (A)F.7 namely data on legacy currency outstanding and amounts payable by the Dormant Accounts Fund are, however, available on a quarterly basis. (A)F.7 data for local government are presently unavailable. However the Department of Environment, Heritage and Local Government introduced a new accounting system for Local Authorities in the course of 2004 which should lead to an improvement in the timeliness and accuracy of financial information for the local authority sector.

3.3 Breakdown by original maturity

In the vast majority of cases, data for securities other than shares excluding financial derivatives [(A)F.33] and for loans [(A)F.4] are available in sufficient detail to allow for the required breakdown by original maturity [short-term (1 year or less) and long-term (more than one year)].

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Data are available but no information is available on the compilation methods.

³⁶ The Fund is a mechanism whereby the liquidator and/or administrator of an insolvent non-life insurer may obtain funds or make payments to certain individuals who have claims against the insolvent insurer.

3.4.2 State government

Not applicable.

3.4.3 Local government

Not required under the relevant legislation.

3.4.4 Social security funds

Data are available but no information is available on the compilation methods.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Coverage is largely complete. While a formal complete counterparty system is not yet in place, sufficient intra position and transactions information is available to generate consolidated results for each of the three sub-sectors of general government.

Central government (S.1311) accounts for a very significant proportion of the government's financial transactions in Ireland. As an indication, local government indebtedness only forms around 8% of total general government consolidated gross debt for EDP³⁷ purposes (end-2004 data). Consolidating intra sub-sector flows and positions to arrive at the central government liability side of the balance sheet involves three elements:

1. A small proportion of Irish Gilts (i.e. long-term government bonds issued by central government) are held by the Post Office Savings Bank Fund (POSBF), an extra-budgetary fund. The NTMA, which administers the Fund, provides the data needed for consolidation. The Post Office Savings Bank (POSB) is a state-owned deposit-taking unit currently classified outside general government. The POSB on-lends the deposits to the POSBF which in turn lends them to the Exchequer, partly in the form of holdings of gilts. The CSO is currently considering whether the POSB might more properly be classified within general government. All quarterly data required to calculate market values for this are available.
2. Information on borrowing by non-commercial semi-state bodies from the Exchequer is collected directly by the Department of Finance from the sponsoring government departments. Data are reported annually at nominal value.
3. Information is also available on short-term borrowings by the Exchequer from certain funds under the control of the Minister for Finance ("Ways and Means" funding, in national terminology).

Local Government (S.1313)

Most transactions of local government units are with central government or sectors outside general government. Financial transactions between units within the sub-sector happen only rarely and usually for small amounts. Consolidation is therefore not a significant problem.

³⁷ Excessive Deficit Procedure

Social Security Funds (S.1314)

Since this consists of a single entity, the Social Insurance Fund, intra sub-sectoral flows and positions do not arise.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Central government (S.1311)

Information on assets of S.1313 and S.1314 held vis-a-vis S.1311 are provided by the NTMA. In recent years, such asset holdings have consisted entirely of short-term debt securities. Information on liabilities of S.1313 to S.1311 is collected directly from the sponsoring government departments by the Department of Finance. The Central Treasury Service³⁸ element of this is managed by NTMA and is available quarterly, however Local Loans Fund³⁹ data are only available annually at present, hence interpolation/estimation is required for generating the consolidated General Government sector.

Non-market grant-aided bodies or extra-budgetary funds within S.1311 generally do not have claims on or liabilities to S.1313 or S.1314.

Local government (S.1313)

As mentioned in section dealing with S.1311 assets directly above, information on liabilities of S.1313 to S.1311 is collected directly from the sponsoring government departments by the Department of Finance. The Central Treasury Service element of this is managed by NTMA and is available quarterly, however Local Loans Fund data are only available annually at present, hence interpolation/estimation is required for generating the consolidated general government sector result.

S.1313 has no relevant liabilities to or claims on S.1314.

Social security funds (S.1314)

Liabilities of S.1314 to S.1311 consist of:

- a) AF.513 – this represents the accumulated reserves of the Fund. However, this is currently not required by the Regulation/is not recognised by the Regulation as the FAWP still has to formally sanction its existence.
- b) AF.7 accounts payable – short-term amounts owed by the Fund to certain government departments.

S.1314 has no relevant liabilities to or claims on S.1313.

³⁸ The Central Treasury Service, operated by the NTMA, offers a competitive alternative to the banking industry for both borrowing and lending for Local Authorities, the Regional Health Boards (up to the point that they were replaced by the HSE at end-2004) and the Vocational Education Committees.

³⁹ The Local Loans Fund is the vehicle from which loans of Exchequer public moneys are made to local authorities or for other local purposes.

3.7 Breaks in time series (former comparability over time)

There are no breaks in time series for the period covered by the Regulation.

IV Current compilation methods

4.1 Stocks and flows

Transactions are based on flow information securities, equity and insurance technical reserves, but on stock information for deposits, loans (except social security assets) and accounts payable/receivable.

4.1.0 Information from stocks or flows ⁴⁰

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF	FF	FS	FS	FF	FS	FF	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
CG bodies	Transactions	FS	FF	FS	FF	FF	FS	FS	FF	FS	FF	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Local Government												
Transactions		FS	FF	FS	FF	FF	NO	FF	FF	FS	FF	NO
Stocks		SS	SS	SS	SS	SS	NO	SS	SS	SS	SS	NO
Social Security Funds												
Transactions		FS	FF	FF	FF	FF	FS	FF	FF	FS	FF	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS

Table 3.2 Final estimate

⁴⁰ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF	FF	FS	FS	FF	FS	FF	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
CG bodies	Transactions	FS	FF	FS	FF	FF	FS	FS	FF	FS	FF	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Local Government												
Transactions		FS	FF	FS	FF	FF	NO	FF	FF	FS	FF	NO
Stocks		SS	SS	SS	SS	SS	NO	SS	SS	SS	SS	NO
Social Security Funds												
Transactions		FS	FF	FF	FF	FF	FS	FF	FF	FS	FF	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS

4.1.1 Financial transactions

The methods used to compile financial transactions are a mix: for certain instruments, direct transactions information is available. An important example is the large holding of quoted shares (F.511) held by government (the National Pensions Reserve Fund) and aggregated transactions data are available directly from the Fund. For most instruments, transactions are computed by default as changes in balance sheet data, for example changes in domestically held deposit assets (F.2).

4.1.2 Ensuring consistency between stocks and flows

Comparison of recorded flows with changes in position is carried out at the end of the process of compiling the balance sheet and financial account data to gauge magnitudes of valuation changes/other changes in volume. Formal partitioning of the results into the valuation and other changes in volume components is not systematically done, but overall plausibility is examined.

4.1.3 Revaluations

As mentioned in 4.1.2 above, revaluation accounts are not formally set out throughout the full extent of the QFAGG system as many instruments/specific items with which government undertakes transactions are not subject to changes in market prices or are not denominated in currencies other than the euro. However, for specific important instances, revaluations are assessed. For instance, liability positions and transactions entered into vis-à-vis non-residents are identified from a report

compiled by the NTMA for CSO Balance of Payments division, where exchange rate gains and losses are separately identified for each type of liability instrument. Also, outstanding amounts of long-term securities other than shares are compiled on a security-by-security basis with market price information being sourced from the Irish Stock Exchange. For quoted shares held by central government, data on realised and unrealised gains and losses are available to CSO compilers, not on a security by security basis but on a country of counterpart residency basis (i.e. the same information that is available to balance of payments compilers).

4.2 Other changes in the volume of assets

As mentioned in 4.1.1 above, formal partitioning of QFAGG data into valuation and other changes in volume components is not systematically done, but overall plausibility is examined. Where other changes do occur, they are recorded. Other changes are normally due to reclassifications or other methodological changes

4.3 Valuation of financial instruments

For the sub-sectoral accounts that are already being produced, the market valuation principle is followed in so far as is possible throughout the compilation system, for example for the compilation of bond data, quoted shares, financial derivatives. However there are a number of exceptions, the principal ones being that data for central government holdings of equity in Public Corporations are valued at net book value and data for non-market grant-aided bodies (i.e. entities controlled and funded almost entirely from the Exchequer which may be regarded as extensions of government departments) mainly follow the historic cost accounting convention. Data for both Public Corporations and non-market grant-aided bodies are usually available on an annual basis only, hence interpolation methods and extrapolation methods are employed to generate quarterly estimates – see also section 4.5 below.

4.4 Accrual accounting and recording of interest

The accrual principle is generally followed wherever possible in the compilation process. However, the quality of F.7 data is lower than that of other instruments.

For securities, accrued interest is incorporated with the specific instrument generating the interest in accordance with ESA95 rules (ESA paragraph 4.50), i.e. as if it were re-invested in the same instrument. Accrued interest on deposits, loans and accounts receivable/payable, where source data are available in practice, is similarly recorded.

The debtor approach is followed.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

The vast majority of data for QFAGG are available quarterly, particularly relating to (A)F.2 assets and liabilities, (A)F.3 assets and liabilities and (A)F.511 assets, which account for the bulk of central government assets and liabilities for Ireland. However, data for both Public Corporations and non-market grant-aided bodies are usually available only on an annual basis, hence interpolation methods and extrapolation methods are employed to generate quarterly estimates. Some limited annual information is interpolated linearly, notably unquoted shares and other equity assets of central government and certain AF.7 asset and liability data. Certain local government liability data, relatively minor amounts of Social Insurance Fund data and a portion of (A)F.7 data are also only available annually. Using interpolation, the quarterly stocks are estimated by way of a geometric progression.

4.5.2 Extrapolation methods

The information available only annually that is described above in section 4.5.1 requires estimation for quarters following the most recent annual reporting. Data are extrapolated based on examining trends for past years, giving greater weight to the more recent data that is available, by considering general economic conditions or by simply holding the data at a constant level over the succeeding three quarters if there is no firm basis on which to trend a series forward. Data relating to the government's equity in the central bank (while compiled quarterly by the bank) are only available once a year on publication of the Bank's annual report. Once the report is published, the previous four quarters data are then made available to the CSO. Generally speaking, extrapolated estimates are replaced at the first opportunity once provisional information becomes available.

4.5.3 Other methods - adjustment of source data for compilation

Not applicable.

4.6 Consolidation methods⁴¹

The data for the sub-sectors of general government that has been compiled and transmitted to Eurostat to date conforms in principle with the consolidation method described in the Manual on Sources and Methods for the compilation of ESA95 financial accounts where consolidated data at the level of one general government sub-sector means that the "intra" transactions and positions are eliminated. The accounts for the general government sector also follow the rules set out in the Manual:

- non-consolidated data at the level of the general government sector includes "intra sub-sectors" and the "inter sub-sectors" transactions and positions,

⁴¹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

- consolidated data at the level of the general government sector means that “intra sub-sectors” and “inter sub-sectors” transactions are eliminated. See also sections 3.5 and 3.6.

4.7 Conversions (euro, foreign currency)

Any Assets or Liabilities that are denominated in foreign currency is valued in accordance with the ESA95 Manual on Government Deficit and Debt, Part V.2. The necessary information is provided by the NTMA.4.8 Revisions policy or coherence between provisional and final statistics

4.8 Revisions policy or coherence between provisional and final statistics

In any quarterly transmission, revisions are possible to the back data. Revisions tend to form three types:

- Improvements in methodology or to implement new Eurostat recommendations in the context of the Excessive Deficit Procedure
- Replacement of extrapolated data with actual data or interpolated data.
- Corrections of errors and omissions

No formal rule has been adopted to date for reporting revisions. Large revisions have usually been reported in the first release after they have come to the attention of the CSO. Smaller ones are usually stockpiled for later correction.

V Coherence and comparability

With both annual financial and non-financial general government accounts being compiled within the CSO, establishment of consistency between the two data sets is currently being examined as a first step, with quarterly consistency exercises to follow. While these procedures have yet to be formalized, it is hoped that significant progress will be made on this. Aside from this, the Government non-financial accounts unit and the Financial Accounts unit are, as part of normal co-operative procedures, involved in regular exchanges of information and data throughout the year, particularly around the time of the two EDP notifications. Given the quality difficulties surrounding the full identification of (A)F.7, balancing the full set of accounts on a quarterly basis may prove to be quite difficult with non-trivial statistical discrepancies being involved.

5.1 Coherence between financial and non-financial accounts

In the data transmission to Eurostat, the discrepancies between quarterly financial and non-financial account data are quite significant and volatile.

5.2 Coherence between quarterly and annual data

The government data in annual accounts may differ from QFAGG data due to the timing of compilation and publication.

5.3 Comparability with government debt⁴²

QFAGG data are consistent with Q-debt data for the categories 'currency and deposits', 'short –term securities other than shares, excl financial derivatives ' and 'long-term securities other than shares, excluding financial derivatives'. For the instruments AF.41 and AF.42 (short-term and long-term loans) very high differences are observed on back data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG and MUFA data align except for assets of (A)F.2 deposits where small differences may occur due to differences in vintages. QFAGG data are used as input for the compilation of MUFA.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities			X		
Between financial and non financial accounts					X
Between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
Between quarterly and annual accounts with table 3 of EDP			X		

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

⁴² The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

6.2 Plausibility checks

Types \ Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks	X			
Between flows and stocks	X			
of growth rates of stocks	X			
of growth rates of flows			X	
of counterpart data in the QFAGG dataset			X	
of the yield on assets and liabilities (property income / stocks)		X		

6.3 Major events monitoring

Information on major events is reported. The largest are the following:

6.3.1 Large transactions

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Amount raised from the sale by Central Government in an Initial Public Offering (IPO) of 49% of the equity in Bord Telecom Éireann plc, the State telecommunications provider (what was later to become Eircom plc) €4.217 billion.	99Q03	3 329.00	3.67
				Comsource, an entity that at the time was owned by KPN of Netherlands and Telia of Sweden (original consortium consisted of PTT Telecom of Netherlands and Telia of Sweden) was formed in 1996 to hold a 35% strategic stake in Bord Telecom Éireann/Eircom. The 35% was acquired in two tranches (1996: 20%, 1999: 15%) with payments to be made in three	00Q01	2 745.00	2.63

				installments (Dec 1996, June 1999 and Feb 2000). The significant increase in F.200 for this quarter relates to the third installment (a so called "clawback" payment based on offer price per share set for the Initial Public Offering) in the amount of €1,445m.			
				Normal operations.	00Q02	3 092.00	2.96
F.33	Short-Term	Liabilities	National authorities	The NTMA built up a portfolio of short term debt in the course of 2001 to take advantage of declining short term yields.	01Q04	4 109.00	3.52
	Long-Term	Liabilities	National authorities	A bond securities exchange programme took place in May 1999. Larger nominal amounts of new low interest bonds were issued in exchange for a number of old high coupon bonds; the nominal amount of bonds outstanding rose by some €3.4m because of the exchange.	99Q02	-2 466.00	2.72
F.5	-	Assets	National authorities	Amount relates to the sale by Central Government in an Initial Public Offering (IPO) of 49% of the equity in Bord Telecom Éireann plc, the State telecommunications provider (what was later to become Eircom plc) €4.217 billion.	99Q03	-4 225.00	4.66

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

Few undocumented large OEF movements are observed. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.7	-	Liabilities	National authorities	This relates to the euro changeover. Recommended practice contained in Eurostat News Release No 88/2002 -	02Q01	-409.00	0.31

				22 July 2002 regarding "Treatment of non-returned banknotes and coins in the context of the cash changeover to the euro".			
F.2	-	Liabilities	National authorities	This relates to the euro changeover. Recommended practice contained in Eurostat News Release No 88/2002 - 22 July 2002 regarding "Treatment of non-returned banknotes and coins in the context of the cash changeover to the euro".	02Q01	-409.00	0.31

**Values are in millions of national currency. There are no OEF above the threshold (1.6 %).*

SPAIN

Institutional arrangements

1.1 Compiling institutions

The existing institutional arrangements are those described in chapter 1 of the Manual on Sources and Methods for the compilation of ESA 95 annual Financial Accounts. In particular, the Banco de España (BdE) is the institution responsible for preparing the financial accounts. Within the Bank, the Statistics Department of the Directorate General Economics, Statistics and Research is the department that carries out this work. The methodology is also the responsibility of the BdE. However in certain aspects, including classification and the links between financial and non-financial accounts, there is close co-ordination with the INE (the National Institute for Statistics, which compiles the Spanish Non-financial Accounts) and the IGAE (National Audit Office), which compiles general government statistics).

1.2 Publication policy

The financial accounts are published quarterly in detail, with a breakdown by subsectors and instruments in a bilingual Spanish/English edition on the BdE website (www.bde.es).

The publication titles are the Statistical Bulletin (monthly) and Financial Accounts of the Spanish Economy (quarterly).

1.3 Publication timeliness

Data are published 110 days after the end of the quarter.

Statistical sources

Direct information is the sole source data for central government and social security funds. It is the only or main source data for the state government and local government except for deposits (which do not use direct information) and securities liabilities (which uses a security by security database).

The sources used are not different for the annual and quarterly financial accounts (actually, the BdE only compiles quarterly financial accounts) and, in general, sector and sub-sectors have the same sources of information.

Summarizing these sources, their frequency and timeliness are:

FINANCIAL ASSETS

F.2 - Currency and deposits: Money and banking statistics, the frequency is monthly and the delay is one month.

F.3 - Securities other than shares: Securities market statistics and budgetary information, the frequency is monthly and the delay is one month.

F.4 - Loans: Budgetary information, the frequency is monthly for the central government and social security funds with one month of delay. For the other sub-sectors the frequency is annual.

F.5 - Shares and other equity: Central Balance Sheet Data Office of the Statistics Department for stocks and budgetary information for transactions. The frequency is annual for stocks for all sub-sectors with four months of delay. For transactions, the frequency is monthly for central government and social security funds with one month of delay and annual for the other sub-sectors.

F.7 - Other accounts receivable: Budgetary information, the frequency is monthly for the central government and social security funds with one month of delay and annual for the other sub-sectors.

LIABILITIES

F.2 - Currency and deposits: Information from BdE tested with budgetary information, the frequency is monthly and the delay one month. It is only relevant for the central government.

F.3 - Securities other than shares: Securities market statistics (for the nominal values this information is tested with budgetary information). The frequency is monthly and the delay one month.

F.4 - Loans: Central Credit Register (resident lenders) and Balance of Payments and International Investment Position (non-resident lenders). These statistics are compiled on a monthly basis with a delay of one month in the case of the Central Credit Register and two and a half months in the case of the information used from the Balance of Payments; and on a quarterly basis with a delay of three months in the case of the International Investment Position.

F.7 - Other accounts payable: Budgetary information, the frequency is monthly for the central government and social security funds with one month of delay and annual for the other sub-sectors.

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁴³

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON		ON	ON	ON(S)	ON		ON
	Stocks	ON	ON	ON	IN		ON	ON	ON(S)	ON		ON
CG bodies	Transactions	ON	ON	ON	ON		ON		ON(S)	ON		ON
	Stocks	ON	ON	ON	IN		ON		ON	ON		ON
State Government												
Transaction		NO	ON	ON	ON		MO		NO(S)	MO		MO
Stocks		NO	ON	ON	IN		MO		NO(S)	MO		MO
Local Government												
Transaction		NO	ON	ON	ON		MO		NO(S)	MO		MO
Stocks		NO	ON	ON	IN		MO		NO(S)	MO		MO
Social Security Funds												
Transaction		ON	ON	ON	ON		ON		ON(S)	ON		ON
Stocks		ON	IN	ON	ON		ON		ON(S)	ON		ON

⁴³ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON		ON	ON	ON(S)	ON		ON
	Stocks	ON	ON	ON	IN		ON	ON	ON(S)	ON		ON
CG bodies	Transactions	ON	ON	ON	ON		ON		ON(S)	ON		ON
	Stocks	ON	ON	ON	IN		ON		ON(S)	ON		ON
State Government												
Transaction		NO	ON	ON	ON		MO		NO(S)	MO		MO
Stock		NO	ON	ON	IN		MO		NO(S)	MO		MO
Local Government												
Transaction		NO	ON	ON	ON		MO		NO(S)	MO		MO
Stock		NO	ON	ON	IN		MO		NO(S)	MO		MO
Social Security Funds												
Transaction		ON	ON	ON	ON		ON		ON(S)	ON		ON
Stocks		ON	IN	ON	ON		ON		ON(S)	ON		ON

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	IN	ON
CG bodies	Transactions	ON	ON	ON	ON
	Stocks		ON	IN	ON
Social Security Funds					
Transactions		ON	ON	ON	ON
Stocks		IN	ON	ON	ON

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	IN	ON
CG bodies	Transactions	ON	ON	ON	ON
	Stocks		ON	IN	ON
Social Security Funds					
Transactions		ON	ON	ON	ON
Stocks		IN	ON	ON	ON

2.1 Direct sources

In practice, there are two sources of information for every instrument, namely the two parties thereto, and for certain instruments there is also a third source, namely administrative records of the transactions (i.e. since April 2003 IBERCLEAR, Sociedad de Gestión de los sistemas de Registro, Compensación y Liquidación de Valores, S.A. for government securities stocks, until April 2003 the BdE Central Book-Entry Office). This means that a ranking of sources must be established when compiling the accounts. The criterion used gives, in principle, priority to primary (direct) information sources (not to those derived or inferred indirectly), normally, indicating the counterpart sectors of such transactions or stocks.

2.1.1 Central government**2.1.2 State government****2.1.3 Local government****2.1.4 Social security funds****2.2 Indirect sources**

When direct sources are not available, other indirect sources have been used. These cases mainly affect the financial account of the sub-sectors state government and local government, where the enormous amount of units involved in the compilation process creates difficulties to get direct information. For the sub-sectors state government (17 regional autonomous governments) and the six main municipalities, a testing process has been established in order to check the information compiled through indirect sources with the information available in the internal records of the governments.

2.2.1 Money and banking statistics (MBS)

Currency and deposits assets and liabilities.

2.2.2 Balance of payments statistics

Used together with the International Investment Position for loans liabilities with non-residents

2.2.3 Securities issues statistics

Used for both assets and liabilities.

2.2.4 Other financial intermediaries statistics

Not used.

2.2.5 Non-financial corporations balance sheets

Used for the item shares and other equity assets (stocks) data from the Central Balance Sheet Data Office of the Statistics Department.

2.3 Other financial data

As it has been explained, for certain instruments some other administrative records have been used. In particular, IBERCLEAR for government securities stocks at market prices.

Data coverage

3.1 Delimitation of general government (sector boundary)

S.1311. Central government: comprising the State and all administrative and similar autonomous agencies reporting to central government, except for those classified in the sub-sector social security funds (S.1314). It also includes, enterprises controlled by the State that do not comply with the ESA 95 rules for classification as non-financial corporations.

S.1312. Regional (autonomous) governments - Included here are the management institutions of the regional (autonomous) governments and their administrative and similar autonomous agencies, including the universities for which such governments are responsible, but not their service-producing enterprises or their commercial autonomous agencies (except those that do not comply with the rules of ESA 95 for classification as non-financial corporations, which are included here). Social security transferred to the regional (autonomous) governments appears in S.1314.

S.1313. Local governments: comprising the provincial, municipal, island, town and minor local authorities, and the groupings to which these units belong. Also included here are the administrative and similar autonomous agencies which report to them, but not service-producing enterprises (except those that do not comply with the criteria of ESA 95 for classification as non-financial corporations, which are included here).

S.1314. Social security funds - Comprising the Social Security General Treasury and other management entities (mutual insurance companies covering workplace accidents and occupational diseases within the Social Security System, the National Social Security Institute, the Migration and Social Services Institute, the National Health Institute and the Naval Welfare Institute), as well as the National Employment Institute and the Wage Guarantee Fund, even though the latter both have the legal status of autonomous administrative agencies. The social security activity transferred to the regional (autonomous) governments is also included here, as are the following State administrative autonomous agencies: the social security scheme for State civil servants (MUFACE), the Armed Services Welfare Institute (ISFAS) and the social security scheme for the legal sector (MUGEJU) (see S.1311).

3.2 Coverage of financial instruments

Currency and deposits: In assets side it includes transferable deposits and other deposits (sight deposits in euro and in other currencies held by general government in credit institutions, repos and reverse repos, time accounts and savings deposits). In liabilities it includes coins issued.

Securities other than shares: Financial transactions in securities other than shares include interest accrued less interest paid in the period in relation to these instruments. Accrued interest pending

payment is included in the financial balance sheets. This item includes short-term securities issued by general government (Treasury bills, commercial paper and state government and local government notes) and long-term securities (medium- and long-term public debt, including medium-term notes). Swaps and forward transactions are not included.

Loans: Includes loans in euro and in other currencies (short-term loans and long-term loans).

Shares and other equity: Includes quoted shares (shares quoted on organized resident and non-resident markets), unquoted shares (shares not quoted on organized resident and non-resident markets) and other equity (investments by general government in the capital of state owned enterprises which do not have the legal status of a public limited company (sociedad anónima) and the State's holding in the capital of the BdE and in that of the ICO (Official Credit Institute)).

Other accounts receivable/payable: Includes trade credits and advances (credits, not in the form of the instruments set out above, granted to general government) and other accounts receivable/payable, excluding trade credits (diverse accounts receivable/payable, interest accrued on deposits/loans and pending receipt/payment, transactions under way between general government bodies, outstanding taxes and social contributions, current transfers pending receipt and payment between general government bodies and, also, other unclassified).

3.3 Breakdown by original maturity

Information about original maturity for securities other than shares and for loans is available according to the rules laid down by the Regulation.

3.4 Counterpart information for the sub-sectors

See comments to point 3.6.

3.4.1 Central government

3.4.2 State government

3.4.3 Local government

3.4.4 Social security funds

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

See comments to point 3.6.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

The BdE compiles the full set of Quarterly Financial Accounts for the Spanish Economy. The compilation process uses basic information for all instruments and sectors classified in a matrix whose rows and columns correspond to approximately 50 financial instruments (reduced at a later stage to the ESA 95 standardized instrument categories) and 20 institutional groupings (reduced at a later stage to the ESA 95 sectors and sub-sectors). This matrix allows knowing the counterpart information of each instrument for all sectors and sub-sectors.

3.7 Breaks in time series (former comparability over time)

There are breaks in time series in 2000Q1 for all the sub-sectors of general government due to changes in sectorisation.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ⁴⁴

Transactions are generally based on flow information, except for deposit assets and loan liabilities of the state government and of local government.

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FF	FF	FF	FF		FF	FF	FF	FF		FF
	Stocks	SS	SS	SS	SS		SS	SS	SS	SS		SS
CG bodies	Transactions	FF	FF	FF	FF		FF		FF	FF		FF
	Stocks	SS	SS	SS	SS		SS		SS	SS		SS
State Government												
Transaction		FS	FF	FF	FF		FF		FF	FS		FF
Stocks		SS	SS	SS	SS		SS		SS	SS		SS
Local Government												
Transactions		FS	FF	FF	FF		FF		FF	FS		FF
Stocks		SS	SS	SS	SS		SS		SS	SS		SS
Social Security Funds												
Transactions		FF	FF	FF	FF		FF			FF		FF
Stocks		SS	SS	SS	SS		SS			SS		SS

⁴⁴ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FF	FF	FF	FF		FF	FF	FF	FF		FF
	Stocks	SS	SS	SS	SS		SS	SS	SS	SS		SS
CG bodies	Transactions	FF	FF	FF	FF		FF		FF	FF		FF
	Stocks	SS	SS	SS	SS		SS		SS	SS		SS
State Government												
Transaction		FS	FF	FF	FF		FF		FF	FS		FF
Stock		SS	SS	SS	SS		SS		SS	SS		SS
Local Government												
Transactions		FS	FF	FF	FF		FF		FF	FS		FF
Stocks		SS	SS	SS	SS		SS		SS	SS		SS
Social Security Funds												
Transactions		FF	FF	FF	FF		FF			FF		FF
Stocks		SS	SS	SS	SS		SS			SS		SS

4.1.1 Financial transactions

In practice, there are two sources of information for a financial transaction, namely the two parties thereto. For example, in the case of deposits held by central government with banks classified in the sub-sector "other monetary financial institutions", information is available, on one hand, from the deposits vis-à-vis central government according to the accounting statements of the banks and, on the other, from the budgetary information. For certain instruments there is also a third source of information, namely administrative records of the transactions, such as for example, those of the IBERCLEAR for government securities transactions. This means that a ranking of sources must be established when compiling the accounts. The criterion used gives, in principle, priority to primary information sources (not to those derived or inferred indirectly), which provide a valuation of the total volume of the instrument in question, normally indicating the counterpart sectors of such transactions and stocks.

4.1.2 Ensuring consistency between stocks and flows

For quarterly data BdE uses a source data system except for “the state” and social security main unit based on D1 special report and counterpart information. There, a bridge into ESA, is applied as entries are split (FULL1). There is no integrated source data system for state and local government. The annual financial accounts are the direct result of accumulating quarterly financial account. Actually, BdE does not elaborate annual financial accounts.

Consistency between stocks and flows is achieved for the general government sector financial accounts.

For each of the financial instruments the following accounting identity must hold:

$$S_t = S_{t-1} + F_t + R_t + CV_t$$

where S_{t-1} and S_t are the outstanding stocks at the beginning and at the end of the period, F_t the financial transactions of the period, R_t the revaluations and CV_t the changes recorded in stocks owing to other changes in volume (e.g. change in institutional units from one sector to another or unilateral loan write-offs).

The amounts in the Financial Accounts are, for most of the transactions, calculated directly from the basic supporting information, e.g. securities market, and only certain financial assets and liabilities transactions are obtained from the differences in financial assets and from the differences in liabilities over two consecutive quarters. These differences are adjusted for changes in stocks that do not correspond to actual transactions, namely capital gains and losses, changes in the exchange rate, write-offs etc., this information being drawn fundamentally from the budget execution of the units involved and the markets where assets and liabilities are exchanged.

4.1.3 Revaluations

In compiling the Financial Accounts, two types of revaluations of financial assets/liabilities have been identified. On one hand, there are revaluations arising from the change in market price of financial assets/liabilities quoted on the market, i.e. those corresponding to categories 3. securities other than shares, 511. quoted shares, or, where applicable, estimated on the basis of the conditions prevailing on the markets (512. unquoted shares). On the other, there are those revaluations as a result of the change in the euro exchange rate, which affect financial assets/liabilities denominated in currencies other than the euro. These revaluations are introduced in the accounting identity described in the point 4.1.2 as R_t .

4.2 Other changes in the volume of assets

As regards other changes in volume flows (CV_t in the accounting identity of the point 4.1.2), the ESA 95 indicates two types of other flows potentially affecting the financial categories. These are: a) other volume changes in financial assets and liabilities (K.10), which correspond, for example, to allocations and cancellations, among others and b) other flows due to changes in classification and structure (K.12), which are reflected in the financial categories owing, for instance, to reclassifications of institutional units from one sub-sector to another (in that case it would affect the entire balance

sheet of the units affected) or reclassifications of certain financial instruments (e.g. shares of a company that are accepted for listing on the organized markets and which, therefore, come to be considered as quoted shares instead of unquoted shares).

4.3 Valuation of financial instruments

ESA 95 methodology establishes that the valuation of financial balance sheets or stocks of financial assets and liabilities shall be at market price. The items most affected by this type of valuation are shares and other equity and, to a lesser extent, securities other than shares.

The practical application of this rule poses difficulties in the case of those instruments where said valuation cannot be calculated directly. Indeed, market price can only be accurately recorded in the case of securities quoted on IBERCLEAR (these are the bulk of securities other than shares in circulation) or on other organized markets, those with reasonable liquidity, and quoted shares. Estimates have been made for the remaining securities. The valuation methods used for the main instruments affected by this rule are discussed below. Evidently, these valuations are identical for a financial instrument insofar as it is a financial asset and insofar as it is a liability; nonetheless, since the availability of sufficiently detailed information differs for securities issues and portfolios, the estimation procedure followed in each case shall be separately discussed.

A) Securities other than shares

Outstanding liabilities: All those securities with a high degree of liquidity (the case of State issues), have been valued at market prices.

Net issuance: Financial transactions have been obtained as the difference between issuance and redemptions at their respective issue and redemption prices. Accrued interest has been added in the case of issues at a discount and interest accrued less interest paid in the case of other issues.

B) Shares and other equity

Outstanding liabilities

Valuation principles. The ESA 95 lays down the following valuation principles for shares and other equity: a) general principle: valuation at current prices, which may be approximated by calculating the current, or discounted, value of future profits (ESA 95, 7.27); b) quoted shares are valued at observed market prices; c) unquoted shares are valued with reference to the valuation of quoted shares, taking into account the difference between these types of shares (basically their liquidity) and considering the sector and reserves accumulated; d) other equity is either valued at the value of own funds or at nominal value.

Valuations applied. These valuation criteria have been applied in the following way: a) quoted shares have been valued at the market prices observed on stock markets (market capitalisation); b) in the case of unquoted shares, the valuation of quoted shares in the same sector has been used as a reference, provided that the corporations whose shares are quoted are representative of such sector. When they are representative (e.g. in the case of banks), the market value of unquoted shares has been estimated by applying the capitalisation/own funds ratio of quoted shares to the own funds of unquoted shares. When they are not representative the discount rate implicit in the valuation of quoted shares has been

used as a reference to estimate the market value of unquoted shares. and c) other equity has been valued at the value of own funds or book value.

Procedures followed: the value of unquoted shares issued by non-financial corporations has not been obtained by applying the ESA 95- recommended ratio (capitalisation/own funds ratio of quoted corporations of a similar size and activity) owing to the narrowness of the Spanish stock market, which prevents the valid application of this ratio to unquoted corporations. Discounted value of future income is used for valuation of unquoted equity. Following on from this, the value of unquoted shares in circulation issued by public limited companies classified in the sector non-financial corporations has been estimated taking the discounted current value of the flow of expected ordinary profits. The discount factor applied includes, implicitly, expected long-term interest rates, a risk premium (encompassing the risks associated with the possibility of these corporations going bankrupt, with the lack of liquidity of the shares involved and with other factors) and the expected nominal growth rate of profits. Anomalous cases are stripped out of these calculations. In practice, the discount rate used, inferred from the behaviour of the valuation of the quoted corporations, is equivalent to applying a market capitalisation/expected profits ratio instead of market capitalisation/own funds. This is warranted because in cases where the market is narrow, it is preferable to use a variable more closely correlated to the value of the corporation (such is the case of the ratio that takes expected profits rather than own funds into account).

Special cases. This group includes a) the shares of unquoted corporations - of whatsoever type- which incur systematic losses, whose value is recorded at the value of their paid up capital, and b) other equity issued by any institutional grouping whose own funds are negative, which is recorded at its paid-up capital.

Net issuance

The data on transactions for the period (issues) are calculated on the basis of the information on contributions of funds from budgetary information. The data on other changes in balance sheet accounts (revaluation or other changes in volume) for all shares and other equity have been obtained by taking the difference between the change in positions (balance sheet), transactions and revaluations.

4.4 Accrual accounting and recording of interest

With regard to transactions, the accrual principle is applied under the ESA 95. The recording of interest in financial transactions accounts on an accrual basis affects financial transactions accounts since it means that the interest accrued have been incorporated into the financial transaction up to the time of payment. Regarding the financial balance sheets, the outstanding stock of securities has been recorded at market prices, with accrued interest being precisely one of the market price components.

The incorporation of interest accrued into the financial account could, in principle, be done in the category other accounts receivable/payable, or in the very instrument generating the interest. However, in the case of securities categories, the ESA 95 stipulates the second of these options. This has effectively been done, while for interest on deposits and loans both possibilities have been left open by the ESA 95, and the first option has been chosen. Therefore, in the case of securities, the interest accrued is treated as if it were re-invested in the same instrument from which it stands, with a disinvestment from the related instrument coming about at the time of payment of the accrued interest.

The debtor principle has been followed in the compilation of the Spanish financial accounts for the following reasons: a) it is considered the best interpretation of the references made in the ESA 95 to the interest accrual criterion; b) it is the alternative Eurostat has opted for in its “ESA 95 Manual on Government Deficit and Debt” (January 2000); and c) it is consistent with the recording of interest in the general government deficit in the Excessive Deficit Procedure notifications.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

Some information related to state government and local government is available only in an annual basis, in particular, data from budgetary outrun used to calculate other accounts payable/receivable of this sub-sectors. This information has been converted in quarterly data using interpolation methods and following the path given by taxes collected and other expenses and resources known and linked to those items.

4.5.2 Extrapolation methods

Some information available with a delay of more than three months is, obviously, needed to be extrapolated. These extrapolations are done with different mathematical methods (Chow-leen, simple extrapolation, etc.) and are replaced as soon as the first provisional information is available.

4.5.3 Other methods - adjustment of source data for compilation

There are no other methods used to adjust primary information.

4.6 Consolidation methods⁴⁵

In the consolidated financial accounts, only the transactions (and positions) between the various sub-sectors have been eliminated. This affects mainly the outstanding amounts of securities other than shares issued by State and held by social security funds and to the loans granted by State to social security funds.

4.7 Conversions (euro, foreign currency)

The financial accounts are transmitted in millions of euro and no explicit indication is given for any sub-category of the transactions or balance sheets whose original series are expressed in foreign currencies. Naturally the extent to which the various transactions/balance sheets are expressed in any

⁴⁵ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

particular currency can be determined from the available database information. This database information has been translated into euro as follows:

- a) Original series in pesetas (ending on 1/1/99). These have been expressed in euro at the irrevocable conversion rate.
- b) Original series in the other currencies that were integrated into the euro on 1/1/99. These have been expressed in pesetas at the exchange rate prevailing at the time of the transaction or at the end of the period (financial balance sheets) and have then been converted into euro as in a) above.
- c) Original series in other currencies. Until 1/1/99 the procedure of b) above has been followed, i.e. they have been converted into pesetas and then into euro, and from 1/1/99 they have been expressed in euro at the exchange rate prevailing at the time of the transaction or at the end of the period (financial balance sheets).

4.8 Revisions policy or coherence between provisional and final statistics

The current dissemination provides revisions of previously disseminated data. A revision policy has been established to allow more stable series and it is intended that, when the accounts for each quarter are estimated, the accounts of at least the eight preceding quarters and their corresponding years will be revised. This regular revision procedure does not rule out exceptional revisions when warranted by the circumstances.

V Coherence and comparability

The National Institute for Statistics (INE) is the agency responsible for compiling the Spanish National Accounts (CNE) which includes, inter alia, the non-financial accounts of the general government. Establishing consistency between or reconciling the “net lending or borrowing” and “net financial transactions” of the general government is a difficult task because the two systems in which both balancing items have been calculated are independent, and they have in most cases been compiled on the basis of different underlying information and, often, at different points in time. To overcome these difficulties, the teams entrusted with this work at INE, IGAE (the National Audit Office) and at the BdE have co-coordinated their compilation processes as far as possible to allow financial accounts compilers to be familiar with the characteristics of the non-financial accounts of this sector.

On this basis, for annual series it has been decided to adopt as balancing items of the financial accounts of the general government sector that obtained for their capital accounts, adding an adjustment. This adjustment is made to the transactions recorded in category F.79 (other accounts payable, except trade credits and advances) and equates the balancing item of the financial account to that of the capital account. Evidently, the introduction of this adjustment is contingent upon an analysis of their amount, a point which is returned to later. Moreover, pursuant to the logic of the system, introducing these adjustments makes it necessary to introduce the related adjustment transactions into their counterparts. These adjustments, in the case of general government, have been carried to the grouping “other resident sectors” (which will afterwards be divided into its components), and also to category F.79 (other accounts payable, except trade credits and advances), on this occasion with the sign reversed.

In testing the quality of the estimates included in the Financial Accounts, the amounts of the aforementioned adjustments (whatever their sign) are analyzed. Should these amounts be large, they might be highlighting the need to revise the estimates on which they are founded and, if offset over successive periods, they might be indicating the reasonableness of considering them as lagged proceeds or payments (F.79). For quarterly data, this reconciliation is not possible. Work is being carried out in order to solve this problem but, for the time being, statistical discrepancies persist. Different seasonal behaviour of financial and non-financial data is a possible explanation.

5.1 Coherence between financial and non-financial accounts

For quarterly data, reconciliation of financial and non-financial accounts is not possible. Work is being carried out in order to solve this problem but, for the time being, noticeable statistical discrepancies persist.

5.2 Coherence between quarterly and annual data

The annual financial accounts are the direct result of accumulating quarterly financial account. Actually, BdE does not elaborate annual financial accounts

5.3 Comparability with government debt⁴⁶

QFAGG data are consistent with Q-debt data. The comparison of the data revealed that for loans the accrued interests are not recorded under the underlying instrument.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG data are compiled as a subset of MUFA, thus differences between domains are usually marginal and due to vintages

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

	Frequency	Sys	Occ	N.a.	Int.
Types					
of consolidation : equality between assets & liabilities					
		x			

⁴⁶ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

between financial and non financial accounts	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)		X			

Cases where stocks are derived by flows, or the reverse:

Transactions are derived from stocks **without** adjustment for:

Deposits and loans in euros

Stocks are derived from transactions **without** adjustment for: No items

Stocks are derived from transactions **with** adjustment for: No items

6.3 Major events monitoring

Information on major events is reported.

6.3.1 Large transactions

No undocumented large movements in transactions are observed. The largest is as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total)	% of GDP
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						series)	
F.2	-	Assets	National authorities	Normal operations.	00Q04	10 071	1.60

**Values are in millions of national currency. There are no transactions above the threshold (2.4 %).*

6.3.2 Other economic flows (OEF)

OEF are routinely monitored and fully reported. No undocumented large OEF movements are observed. The largest is as follows:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.7	-	Liabilities	National authorities	Normal operations.	01Q01	-7 610	1.12

**Values are in millions of national currency. There are no OEF above the threshold (1.6 %).*

GREECE

I Institutional arrangements

1.1 Compiling institutions

QFAGG are compiled by the Bank of Greece (BoG). The BoG compiles complete financial accounts on a quarterly basis.

1.2 Publication policy

Financial accounts are not published yet. The BoG plans to publish all financial account data in the near future. Currently the platform and the publication format of financial accounts are under internal discussions.

1.3 Publication timeliness

Data are not published yet.

II Statistical sources

2.0 Source Data

Information for sub-sectors of general government is provided by the Ministry of Finance (MoF), the National Statistical Service of Greece (NSSG) and counterpart information from other sources in the BoG. The NSSG has recently introduced an annual questionnaire that requests a full set of national and financial accounts data from all government agencies including extra budgetary funds (central government), social security funds and local authorities. The NSSG collects and compiles the data before transmitting them to the BoG. Following the introduction of this questionnaire, the quality of QFAGG data has improved significantly. However, given its annual nature, the BoG uses money and banking, mutual fund and Central Securities Depository's counterpart information in order to produce quarterly statistics.

Coordination with STPFS compilers (NSSG) is only on an ad-hoc basis. A working group is under consideration in order to reconcile discrepancies between financial and non-financial accounts in general and for other outstanding issues.

2.0.1 - Statistics without counterpart sector information⁴⁷

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	IN	n.a.	ON	ON	NO	ON	ON	ON	ON	n.a.	ON
	Stocks	IN	n.a.	ON	ON	NO	ON	ON	ON	ON	n.a.	ON
CG bodies	Transactions	IN	n.a.	n.a.	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
	Stocks	IN	n.a.	n.a.	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
Local Government												
Transactions		NO	NO	ON	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
Stocks		NO	NO	ON	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
Social Security Funds												
Transactions		IN	IN	ON	NO	NO	ON	n.a.	n.a.	NO	n.a.	ON
Stocks		IN	IN	ON	NO	NO	ON	n.a.	n.a.	NO	n.a.	ON

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	IN	n.a.	ON	ON	NO	ON	ON	ON	ON	n.a.	ON
	Stocks	IN	n.a.	ON	ON	NO	ON	ON	ON	ON	n.a.	ON
CG bodies	Transactions	IN	n.a.	n.a.	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
	Stocks	IN	n.a.	n.a.	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON

⁴⁷ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Local Government											
Transactions	NO	NO	ON	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
Stocks	NO	NO	ON	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
Social Security Funds											
Transactions	IN	IN	ON	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON
Stocks	IN	IN	ON	ON	NO	ON	n.a.	n.a.	NO	n.a.	ON

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	n.a.	ON	ON	ON
	Stocks	n.a.	ON	ON	ON
CG bodies	Transactions	n.a.	ON	ON	ON
	Stocks	n.a.	ON	ON	ON
Social Security Funds					
Transactions		ON	ON	ON	ON
Stocks		ON	ON	ON	ON

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	n.a.	ON	ON	ON
	Stocks	n.a.	ON	ON	ON
CG bodies	Transactions	n.a.	ON	ON	ON
	Stocks	n.a.	ON	ON	ON

Social Security Funds				
Transactions	ON	ON	ON	ON
Stocks	ON	ON	ON	ON

2.1 Direct sources

All information except deposits and loans are from direct sources.

2.1.1 Central government

All information on loans, securities, shares and other equity and other accounts receivable/payable are from the MoF.

2.1.2 State government

Not applicable.

2.1.3 Local government

Data for currency, loans (assets), shares and other equity, and other accounts receivable/payable are from the NSSG questionnaire.

2.1.4 Social security funds

The NSSG questionnaire provides data on currency, deposits (other than the Central Bank), securities (except intra-government debt), (stocks of) shares and other equity and other accounts receivable/payable.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Money and banking statistics provide information on deposits of central government and local authorities and loans (liabilities) of social security and local authorities.

2.2.2 Balance of payments statistics

No balance of payments statistics are used

2.2.3 Securities issues statistics

No securities issues statistics are used

2.2.4 Other financial intermediaries statistics

No OFIs statistics are used

2.2.5 Non-financial corporations balance sheets

No non-financial corporations statistics are used.

2.3 Other financial data

The BoG questionnaire for Insurance corporations provides information on insurance technical reserves for general government. Intra-government debt information is provided from BoG sources (Electronic Secondary Securities Market). The Athens Stock Depository provides information on quoted shares flows for social security funds.

III Data coverage

Coverage is 100% according to current information. In cases coverage is incomplete (provisional NSSG questionnaire data) grossing up techniques are used to calculate QFAGG.

3.1 Delimitation of general government (sector boundary)

There are no outstanding issues. All marginal cases have been resolved.

3.2 Coverage of financial instruments

All financial instruments are covered.

3.3 Breakdown by original maturity

Breakdown by original maturity as described in ESA95 is implemented.

3.4 Counterpart information for the sub-sectors

In all cases that counterpart information is used, the coverage is 100%. Counterpart information for the sub-sectors is analyzed in Section 2.2

3.4.1 Central government

3.4.2 State government

3.4.3 Local government

3.4.4 Social security funds

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Data within general government subsectors are consolidated. Stocks and flows between subsectors are eliminated, mainly for F.3/AF.3 (holdings of central government securities other than shares by local government and social security funds) and F.7/AF.7.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

For all transactions between GG and other subsectors the coverage is 100%.

3.7 Breaks in time series (former comparability over time)

In general there are no breaks except for LT bonds and shares of CG between 1999-2002.

IV Current compilation methods

4.1 Stocks and flows

In all cases that flows are provided the information is given directly from the source.

List of cases where stocks are derived by flows, or the reverse:

Transactions are derived from stocks **without** adjustment for:

Deposits in euros/insurance technical reserves/other accounts receivable/payable.

Transactions are derived from stocks **with** adjustment for:

Deposits in non-euro currencies

Stocks of historical series have been derived from transactions with adjustments.

4.1.0 Information from stocks or flows ⁴⁸

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS	n.a.	FS	FF	FF	FF	FF	FF	FF	n.a.	FF
	Stocks	SS	n.a.	SS	SS	SS	SF	SS	SS	SS	n.a.	SF
CG bodies	Transactions	FS	n.a.	n.a.	FS	FF	FF	n.a.	n.a.	FS.	n.a.	FF
	Stocks	SS	n.a.	n.a.	SS	SS	SF	n.a.	n.a.	SS.	n.a.	SF
Local Government												
Transactions		FS	FS	FS	FS	FF	FS	n.a.	n.a.	FS	n.a.	FS
Stocks		SS	SS	SS	SS	SS	SS	n.a.	n.a.	SS	n.a.	SS
Social Security Funds												
Transactions		FS	FS	FS	FF	FF	FS	n.a.	n.a.	FS	n.a.	FS
Stocks		SS	SS	SS	SS	SS	SS	n.a.	n.a.	SS	n.a.	SS

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS	n.a.	FF	FF	FF	FF	FF	FF	FF	n.a.	FF
	Stocks	SS	n.a.	SF	SS	SS	SF	SS	SS	SS	n.a.	SF
CG bodies	Transactions	FS	n.a.	n.a.	FS	FF	FF	n.a.	n.a.	FS	n.a.	FF

⁴⁸ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

	Stocks	SS	n.a.	n.a.	SS	SS	SF	n.a.	n.a.	SS	n.a.	SF
Local Government												
	Transactions	FS	FS	FF	FS	FF	FS	n.a.	n.a.	FS	n.a.	FS
	Stocks	SS	SS	SF	SS	SS	SS	n.a.	n.a.	SS	n.a.	SS
Social Security Funds												
	Transactions	FS	FS	FF	FF	FF	FS	n.a.	n.a.	FS	n.a.	FS
	Stocks	SS	SS	SF	SS	SS	SS	n.a.	n.a.	SS	n.a.	SS

4.1.1 Financial transactions

Transactions are derived from stocks **without** (revaluation) adjustment for deposits in euros, short-term securities (for LG and SSFs), and other accounts receivable/payable.

Transactions are derived from stocks **with** (revaluation) adjustment for deposits long-term securities (for LG and SSFs), and for shares and other equity until 2004.

4.1.2 Ensuring consistency between stocks and flows

Stocks and flows are consistent with the exception of some series for the years before 2002, where there are still outstanding issues. The Bank of Greece does not have sufficient information at this point, to resolve these problems. This issue is under investigation in collaboration with the MoF

4.1.3 Revaluations

As described in 4.1.1

4.2 Other changes in the volume of assets

As provided by the source data

4.3 Valuation of financial instruments

In all cases the market valuation principle is applied. Unquoted shares are at book value. It should be noted that it is very difficult to calculate market values from book values of unquoted shares given the peculiarity of the publicly owned unquoted corporations. Also, CG bonds not actively traded (about 2% of the total amount) are valued using discounted future cash flows.

4.4 Accrual accounting and recording of interest

According to ESA 95 rules. The interest accrued is treated as re-invested in the same instrument.

4.5 Interpolation, extrapolation, and other estimation methods

Not applicable at this point.

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods⁴⁹

The consolidation applied in QFAGG is according to the methods analyzed in the Manual on sources and methods for the compilation of ESA 95 financial accounts.

4.7 Conversions (euro, foreign currency)

Market rates where applicable; the exchange rate between drachma and euro is 340.45 for all historical data.

4.8 Revisions policy or coherence between provisional and final statistics

Revision is done automatically as soon as new information is available. Given the nature of the data in Excel sheets, it is not easy to track all past revisions. However, metadata on large revisions are reported to Eurostat and ECB at the time of the revision.

⁴⁹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Important discrepancies are observed between quarterly financial and non-financial accounts data and the discrepancy is very volatile. All discrepancies between financial and non-financial accounts are currently under examination and efforts are made from BoG, the MoF and NSSG to resolve the issue.

5.2 Coherence between quarterly and annual data

Quarterly and annual data fit since all financial accounts data are produced on a quarterly basis.

5.3 Comparability with government debt⁵⁰

QFAGG data are consistent with Q-debt data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG and MUFA data align. MUFA data for the general government and QFAGG data use the same source files.

VI Consistency and plausibility checks on QFAGG data.

1.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts		X		
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

⁵⁰ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks			X		
of growth rates of flows			X		
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)			X		

6.3 Major events monitoring

Major events are currently monitored and reported. However, reporting major events for past data creates more difficulties.

6.3.1 Large transactions

Numerous undocumented large transaction movements are observed in the historical series. There is an effort to report all large transactions of central government with the collaboration of the MoF and the BoG.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	Eurostat	Seasonal (end of year) deposits decrease due to payments or debt repurchases by CG.	99Q04	-4 021.00	3.57
				Seasonal (end of year) deposits decrease due to payments or debt repurchases by CG.	00Q04	-4 990.00	4.01

				Seasonal (end of year) deposits decrease due to payments or debt repurchases by CG.	01Q04	-3 976.00	2.99
				Large increase in the CG deposits due to excess reserves of the Treasury.	04Q02	4 111.00	2.44
				Seasonal (end of year) deposits decrease due to payments or debt repurchases by CG.	04Q04	-4 152.00	2.47
				Large increase in the CG deposits due to excess reserves of the Treasury.	05Q03	4 870.00	2.69
				Large increase in the CG deposits due to excess reserves of the Treasury.	07Q01	6 825.00	3.27
F.33	Long-Term	Liabilities	Eurostat	Under Investigation	99Q01	3 692.00	3.28
				Under Investigation	99Q04	3 421.00	3.04
				Under Investigation	00Q01	5 763.00	4.63
				Under Investigation	00Q02	3 565.00	2.87
				CG-Issue of long term bonds.	00Q03	3 370.00	2.71
				CG-Issue of long term bonds.	01Q04	6 089.00	4.57
				CG-Issue of long term bonds.	02Q04	5 048.00	3.52
				CG-Issue of long term bonds.	03Q04	5 466.00	3.51
				CG-Issue of long term bonds	04Q01	4 785.00	2.84
				CG-Issue of long term bonds	04Q02	8 661.00	5.14
				CG-Issue of long term bonds	05Q03	7 206.00	3.98
				CG-Issue of long term bonds	06Q03	6 303.00	3.23
				CG-Issue of long term bonds	07Q01	10 584.00	5.07
F.5		Assets	Eurostat	Under Investigation	00Q03	-5 030.00	4.04
				Under Investigation	00Q04	3 894.00	3.13
				Under Investigation	01Q03	4 529.00	3.40
				Under Investigation	01Q04	-4 600.00	3.46

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

Large OEF are reported on request of Eurostat. Numerous undocumented large OEF movements are observed mainly in the historical data.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	Eurostat	Under Investigation	99Q03	-4 934.00	4.38
				Under Investigation	99Q04	4 546.00	4.03
				Under Investigation	00Q01	13 607.00	10.94
				Under Investigation	00Q04	2 356.00	1.89
				Under Investigation	02Q01	-3 759.00	2.62
				Under Investigation	02Q03	2 848.00	1.98
				Bonds Revaluations	03Q02	3 451.00	2.22
				Bonds Revaluations	03Q03	-3 892.00	2.50
				Bonds Revaluations	04Q01	3 461.00	2.06
				Bonds Revaluations	04Q02	-3 753.00	2.23
				Bonds Revaluations	05Q02	5 100.00	2.82
				Bonds Revaluations	06Q01	-4 192.00	2.15
				Bonds Revaluations	06Q02	-3 888.00	1.99
				Bonds Revaluations	06Q03	3 374.00	1.73
F.5		Assets	Eurostat	Under Investigation	99Q02	1 942.00	1.72
				Under Investigation	99Q03	4 408.00	3.91
				Under Investigation	00Q02	-2 734.00	2.20
				Under Investigation	00Q04	-2 344.00	1.88
				Under Investigation	01Q03	-2 474.00	1.86
				Under Investigation	02Q03	-2 655.00	1.85
				Increase in the capital of public corporations through capital injections from the CG,	03Q02	2 895.00	1.86

				Increase in the capital of public corporations through capital injections from the CG,	04Q04	2 813.00	1.67
				Increase in the capital of public corporations through capital injections from the CG,	05Q02	3 071.00	1.70
				Increase in the capital of public corporations through capital injections from the CG,	05Q03	3 754.00	2.07

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

FRANCE

I Institutional arrangements

1.1 Compiling institutions

The compilation of QFAGG is the result of a joint collaboration of the General Directorate of Public Accounting (GDPA) of the Ministry of Finance, of the Financial Accounts Division of the Banque de France and of the national accounts department of INSEE.

Data on general government financial transactions are compiled at nominal value by the General Directorate of Public Accounting. The outstanding amounts (of both assets and liabilities) are calculated at market value (only the instruments F.332, F.51 and F.52) by the Financial Accounts Division of the Banque de France which insure stock-flow adjustments and transmit QFAGG data. The national accounts departments of INSEE ensure the consistency of financial accounts with debt.

1.2 Publication policy

1/ Data

QFAGG are not published. Nonetheless, data on government financial accounts by sectors and sub-sectors and by instruments that broadly align with QFAGG are published within 120 days, in the publication “Comptes nationaux financiers trimestriels”.

Stocks for assets and liabilities are available, for the last quarter, at:

http://www.banque-france.fr/fr/stat_conjoncture/telechar/comptefi/cnf_tx.pdf?sfgdata=4

Detailed complete time series are available at :

http://www.banque-france.fr/fr/stat_conjoncture/series/cptsnatfintrim/html/cptsnatfintrim.htm

2/ Metadata :

The first page of the publication mentioned above (available at : http://www.banque-france.fr/fr/stat_conjoncture/telechar/comptefi/cnf_tx.pdf?sfgdata=4) gives information about some points that must be taken into account before using figures. These points concern general government and other sectors regarding methodological issues and biggest major events.

A methodology document also gives information about the way accounts are made. It is available at :

http://www.banque-france.fr/fr/stat_conjoncture/telechar/comptefi/nationaux.pdf?sfgdata=4

1.3 Publication timeliness

QFAGG data are not yet published. However, quarterly financial accounts data are published at t+120 days (except for the fourth quarter for which the timeliness is aligned with the publication of the annual provisional account at t+140 days).

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁵¹

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON		MNO	ON	ON	ON		MNO
	Stocks	ON	ON	ON	IN		MNO		ON(S)	ON		MNO
CG bodies	Transactions	MNO	MNO	MNO	MNO		IN	MNO	MNO	MNO		IN
	Stocks	MNO	MNO	MNO	MNO		IN	MNO	MNO	MNO		IN
Local Government												
Transactions		ON	ON	ON	ON		IN	ON	ON	ON		IN
Stocks		ON	ON	ON	ON		IN	ON	ON	ON		IN
Social Security Funds												
Transactions		MO	MO	MO	MO		IN	MO	MO	MO		IN
Stocks		MO	MO	MO	MO		IN	MO	MO	MO		IN

⁵¹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON		MO	ON	ON	ON		MO
	Stocks	ON	ON	ON	ON		MO	ON	ON(S)	ON		MO
CG bodies	Transactions	ON	ON	ON	ON		MO	ON	ON	ON		MO
	Stocks	ON	ON	ON	ON		MO	ON	ON	ON		MO
Local Government												
Transactions		ON	ON	ON	ON		MO	ON	ON	ON		MO
Stocks		ON	ON	ON	ON		MO	ON	ON	ON		MO
Social Security Funds												
Transactions		ON	ON	ON	ON		MO	ON	ON	ON		MO
Stocks		ON	ON	ON	ON		MO	ON	ON	ON		MO

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	MO	MO	MO	IN
	Stocks	MO	MO	MO	IN
CG bodies	Transactions	IN	IN	IN	IN
	Stocks	IN	IN	IN	IN
Social Security Funds					
Transactions		IN	IN	IN	IN

Stocks	IN	IN	IN	IN
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Table 2.2 Final estimate

Same as table 2.1.

2.1 Direct sources

Direct information is the sole source data for all definitive statistics. Indirect sources are only used to specify some rough information. For provisional statistics, direct information is the sole source of information for the "State" and for a major part of local government and social security funds.

2.1.1 Central government

Direct information is obtained from the accounts of the State (S.13111 in France). The data are available on a quarterly basis.

For the sub-sector other central government bodies (S.13112 in France), quarterly provisional statistics are produced thanks to financial operations of the main units. The collection of the fourth quarter is more important than the three others.

Definitive statistics are made on an annual basis, according to the accounts of all the units. Consistency between annual and quarterly statistics is then ensured.

2.1.2 State government

Not applicable.

2.1.3 Central government

Not applicable

2.1.4 Local government

For quarterly provisional statistics, direct information is obtained from the accounts of the departments, regions, "groupements à fiscalité propre" (GFP, partnerships of municipalities) and a sample of 2000 municipalities.

For annual definitive statistics, the accounts of the whole sub-sector are available.

2.1.4 Social security funds

For quarterly provisional statistics, the collection is based on the quarterly accounts of a group of public funds, completed by the quarterly financial operations of the other major organizations.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Credit institutions:

Financial accounts, like monetary statistics, use the accounting documents from credit institutions. These are managed centrally by the Banking Commission, the authority responsible for prudential supervision of banks. Banks are asked to break down most of their transactions with customers (deposits and loans) into the various sectors used for French accounting purposes.

These data are available on monthly and quarterly basis. They are exhaustive on a quarterly basis.

Mutual funds:

Until 1999 data collected by the Securities Commission, the body responsible for prudential supervision of mutual funds, were used. Due to the switch over to the single currency, a new system for gathering statistics has been set up. Quarterly collection is now handled directly by the Banque de France.

2.2.2 Balance of payments statistics

Not used.

2.2.3 Securities statistics

Bonds: The Banque de France manages a database of long term debt securities issued by residents both on domestic and international markets. This database, completed by the data on foreign markets recorded in the balance of payments, makes it possible to compile statistics on outstanding amounts and flows (gross issues, net issues, valuation) for each debtor sector.

Shares: The Banque de France manages a database on the issuance of quoted and unquoted shares, collecting data from Euronext Paris for quoted shares and from court clerks for unquoted shares. The market value of unquoted shares is calculated in respect of Eurostat recommendations. These data combined with information from DGPA on net transactions on shares allows calculating the valuation of the holding of shares by State and GG at market value on a quarterly basis.

2.2.4 Other financial intermediaries statistics

Not used for QFAGG. This information is used only for annual accounts.

2.2.5 Non-financial corporations balance sheets

Not used for QFAGG. This information is used only for annual accounts.

2.2.6 Other

Coins in circulation:

As the Banque de France is in charge of putting coins into circulation in the name of the State, this information is used to refine the figures about coins put into circulation, which is part of the State's debt.

Consolidation - Securities holding survey by custodians:

The Banque de France realises a quarterly survey with resident custodians on the holding of securities (of which State Bonds) by owners (broken down by sectors). This gives a State Bonds' holding rate, by sector, upon which the level of consolidation on State Bonds is based.

2.3 Other financial data

Data about remittals of debts are collected from the Directorate of the Treasury of the Ministry of Finance whereas data about financial derivatives (F.34) are from "Agence France Trésor" (AFT).

Every year the French Ministry of Finance provides the Parliament a very detailed financial description of the corporations held by the French State. In peculiar this document enables the compilation of annual flows of financial transactions (F.5) and provides a reliable basis to estimate quarterly stocks at market price.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The State sub-sector (S.13111 in France) is fully covered.

The "Other Central Government Bodies" sub-sector (S.13112 in France) is not fully covered for provisional quarters. For the moment, the collection covers the financial operations of the main units. These provisional quarters are later corrected according to definitive annual data, based on full sub-sector coverage.

The coverage of Local Government sub-sector is wide but not exhaustive for provisional quarters: all the regions, departments, GFP (partnerships of municipalities) and a sample of 2000 municipalities. Then again, quarterly statistics are corrected following definitive annual data obtained from a full sub-sector coverage (all the municipalities and all the other local government bodies).

For the Social Security Funds sub-sector, the coverage for the last quarter includes the main units and a group of public funds. Definitive annual data rely on the accounts of the exhaustive units. Quarterly statistics are made consistent with this definitive version.

3.2 Coverage of financial instruments

The financial instruments F.2, F.33, F.4 and F.5 are fully covered. This sub-set of financial instruments covers around 60% of total assets, and 90% of total liabilities. The transactions in F.7 are quarterly collected from detailed balance sheets, but the times of recording are not necessary relevant because the units do not provide quarterly accrual accounts. They provide only accrual accounts on annual basis.

3.3 Breakdown by original maturity

See before. Securities are classified according to their original maturity.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

The financial instruments F.2, F.33, F.4 and F.5 are fully covered. F7 is partly known and is depending on the other sectors. The public counterparts are available.

3.4.2 State government

Not applicable

3.4.3 Local government

Not applicable

3.4.4 Social security funds

The financial instruments F2, F33, F4 and F5 are fully covered. F7 is partly known and is depending on the other sectors. The public counterparts are available.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Consolidation between government sub-sectors and other residents is enabled. However, the operations F7 breakdown is less solid.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Information from quarterly and annual financial accounts sources is used to complete the who-to-whom information provided by DGPA.

3.7 Breaks in time series (former comparability over time)

Breaks in time series are reported in 2001Q4 for the "state" and in 2004Q4 for others sub sectors owing to availability of direct source data. Previous information was built with counterpart information, annual information, and reconciliations.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ⁵²

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS	FF	FF	FF		FF	FF	FF	FS		FF
	Stocks	SS		SF			SF	SS	SS	SS		SF
CG bodies	Transactions	FS	FS	FS	FS		FF		FS	FS		FF
	Stocks	SS	SS	SS	SS		SF		SS	SS		SF
Local Government												
Transaction		FS	FS	FS	FS		FF		FS	FS		FF
Stocks		SS	SS	SS	SS		SF		SS	SS		SF

⁵² Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Social Security Funds											
Transaction	FS	FS	FS	FS		FF		FS	FS		FF
Stocks	SS	SS	SS	SS		SF		SS	SS		SF

Table 3.2 Final estimate

Same as table 3.1

4.1.1 Financial transactions

The vast majority of data for QFAGG are available quarterly⁵³, particularly relating to currency and deposits (F.2) assets and liabilities, securities other than shares (F.3) assets and liabilities, and shares and other equity excluding mutual funds shares (F.51) assets which stand for the bulk of general government assets and liabilities for France. Nevertheless, if concerning central government (S.1311) and local government (S.1313) data are collected quarterly in a way almost as complete as it is in annual, concerning “extrabudgetary central government” bodies (S.1312) and social security funds (S.1314), the quarterly collection is based on a sample.

4.1.2 Ensuring consistency between stocks and flows

Financial accounts are built in such way that stocks, transactions, valuation and changes/other changes in volume are reconciled. Thus, for each of the financial instruments, the following accounting identity must be checked:

$$S_t = S_{t-1} + F_t + R_t + CV_t$$

where S_{t-1} and S_t are the outstanding stocks at the beginning and at the end of the period, F_t the financial transactions of the period, R_t the revaluations and CV_t the volume changes.

Most of time series of stocks, except for F.332 and F.5, are calculated by reconciliation from the initial annual stock of December 1994 to which flows and valuation and changes/other changes in the volume are added.

For F.332 and F.5, stocks are collected from the securities database of the Banque de France in the same way as transactions and changes/other changes in volume, and valuation is calculated by reconciliation.

⁵³ More than 70 percent of the information necessary to compile the general government data are at least available on a quarterly basis.

Controls⁵⁴ of data are implemented to check the coherence and the reliability between stock and flows. Thus all financial accounts data are quality assured.

4.1.3 Revaluations

See the following point 4.3 (Valuation of financial instruments).

4.2 Other changes in the volume of assets

Volume changes (due to reclassification or methodological changes) and other volume changes are summed.

When quarterly statistics must be changed according to annual data,, the values are most of the time (except for F.332 and F.5) put to the fourth quarter, or in some cases distributed according to additional information on the corresponding quarters..

Concerning F.332 and F.5, information is in principle available and processed quarterly from the beginning of the period to the last point.

4.3 Valuation of financial instruments

The national accounting principles make a distinction between two types of valuation: foreign currency valuation and market valuation.

For foreign currency valuation, the Balance of Payments provides a valuation rate that allows inferring an amount of valuation from half of the sum of stocks and renders the exchange rate fluctuations.

For market valuation, the security database of the Banque de France is used.

On the liabilities side, the outstanding amounts of bonds and similar paper (F.332) are compiled on a security-by-security principle. As a consequence stocks and valuation are consistent. Flow is calculated by reconciliation of nominal stocks.

The assets side of the State (part of central government sub-sector) is available on a quarterly frequency. Stocks at market price of listed shares held are compiled on a security-by-security basis (source: Euronext). For provisional, semi definitive, and quarterly data stocks of unquoted shares held are calculated using last available stock (S_{t-1}), current flows of transaction (F_t) and also a revaluation indicator (τ) calibrated on Euronext index :

⁵⁴ A flow rate is calculated to check the reliability and accuracy of data and to gauge the magnitudes :
$$\frac{F_t}{\frac{1}{2} * (S_t + S_{t-1})}$$

$$S_t = i * S_{t-1} + \left(\frac{i+1}{2} \right) * F_t + CV_t$$

For definitive annual accounts (N-3 accounts), unquoted shares are valued as aggregated own funds at book value of a branch, time a capitalisation ratio calculated for this branch on quoted companies. Capitalisation ratios are defined as the market capitalisation of individual quoted companies divided by the own funds of quoted shares at book value ; they are 25% discounted to take into account the less liquid nature of unquoted shares.

4.4 Accrual accounting and recording of interest

The accrual principle is generally applied under the ESA95 in the compilation process. For deposits (F.2), securities other than shares (F.331) and loans (F.4), accrual-based interests are recorded in specific financial operations, respectively F.281, F.381 and F.481. For long-term bonds, accrual-based interests are incorporated with the specific instrument generating the interest.

The recording of accrued interest on bonds and similar paper (F.332 financial instrument) is in accordance with ESA95 rules (ESA paragraph 4.50), i.e. as if it were reinvested in the same instrument. Indeed when interests are not actually paid, the increase in the principal is also recorded in the outstanding amounts as a further acquisition of that kind of financial asset by the creditor and an equal acquisition of a liability by the debtor.

Debtor approach is used only for detailed counterpart sector, especially for the financial sector and the rest of the world.

4.5 Interpolation, extrapolation, and other estimation methods

Since 2004Q4, all the quarterly information for public sector is available as direct information. So the following lines applied for the back data calculation.

Before 2004Q4, some information is available only on an annual basis, in particular data of other accounts receivable or payable (F.79), data of other short-term lending (F.419) and data of other loans (F.429). Thus, QFA resort to interpolation and extrapolation methods to compile complete and consistent financial accounts.

4.5.1 Interpolation methods

Annual time series are converted in quarterly data using interpolation methods thanks to single exponential smoothing. Some annual information, notably on special advance accounts, is interpolated.

4.5.2 Extrapolation methods

Two methods of extrapolation are mainly tested: calibration and endogenous estimation.

Concerning calibration, econometric regressions⁵⁵ are tested. Indicators are time series in compliance with the national accounting system (European System of Accounts, ESA 1995).

For endogenous estimations⁵⁶, models tested only use information already included in the time series to estimate missing points.

4.5.3 Other methods - adjustment of source data for compilation

Not used.

4.6 Consolidation methods⁵⁷

The data for QFAGG that have been compiled and transmitted both to Eurostat and ECB conform in principle with the consolidation method described in the Manual on sources and methods for the compilation of ESA95 Financial Accounts. On this basis, consolidated data at the level of one general government sub-sector means that the intra transactions and positions are eliminated, and consolidated data at the level of the general government sector means that the intra sub-sectors and the inter sub-sectors transactions and positions are eliminated.

If a local government, social security fund or an extra-budgetary fund within central government holds AF.33 instruments issued by central government, information is often available from the unit's accounts. Since it's not always the case, a survey over State Bonds' holders allows the fixing of a State Bonds' holding rate for other general government units..

4.7 Conversions (euro, foreign currency)

Data are collected or estimated in millions of Euros from 1994, no conversion is necessary.

4.8 Revisions policy or coherence between provisional and final statistics

The quarterly figures are being continuously revised and are not final before the equivalent annual figures are final, approximately two years after the first publication of the year in question for the total of the year. Due to the method, the quarterly profile can change a little bit every year.

⁵⁵ Three types of models are tested according to the econometric nature of the relation between the two time series. Thus, coefficients of the relation can be estimated either by an ordinary-least-squares method, or by a quasi-generalised least squares method or by estimation in difference.

⁵⁶ Three types of models are tested (exponential smoothing models, seasonal autoregressive moving average models and step by step models), and in the end the best one is selected thanks to econometric statistics.

⁵⁷ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

Each quarter, data of QFAGG may be revised from the beginning of the time series to take into account revisions of collected information or replacement of extrapolated data with collected one or improvements in methodology. Moreover, fitting quarterly financial accounts on published annual financial accounts may entail revisions for each quarter in flows and below annual quarter for stocks from the beginning of the period to the provisional accounts. Nevertheless, the concern of minimizing revisions makes that the annual residual between the annual account and the quarterly account is distributed such as the sum of squares of the first differences is minimal.

V Coherence and comparability

In practice, as financial accounts are built through whom-to-whom series, two situations can exist. Either one or two quarterly sources are available (i.e. declaring sector and counterparty sector), or no quarterly collected data exists. The GDPA provides quarterly data for most general government time series for stocks and flows. When two sources of information are available, Quarterly Financial Accounts (QFA) give priority to data provided by general government except for transactions and stocks in bonds and similar paper (F.332) liabilities by general government⁵⁸. If only one quarterly source for a time series is obtainable, and even not stemming from GDPA, QFA process it. If some information is available only in an annual basis (in particular F.419, F.429, F.711), estimations are used to forecast missing points and converted in quarterly data using interpolation methods.

5.1 Coherence between financial and non-financial accounts

Discrepancies between quarterly financial and non-financial accounts data are observed.

5.2 Coherence between quarterly and annual data

QFAGG is consistent with annual financial accounts to definitive, semi-definitive and provisional financial accounts. QFAGG is also consistent with the quarterly financial accounts: stocks of the fourth quarter of a year must be equal to the annual stock and the sum of flows of four quarters of a year must be equivalent of the annual transaction. This procedure, which is automatic, is built so as to enable to minimize the impact of fitting.

5.3 Comparability with government debt⁵⁹

QFAGG is consistent with the quarterly debt. All the common time series use the same data.

⁵⁸ The stocks and transactions in bond liabilities are collected from the securities database of the Banque de France.

⁵⁹ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

Small differences exist between QFAGG and MUFA data owing to the impact of “rebalancing”, while QFAGG is a key input to MUFA. MUFA information is not used to change QFAGG data.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		X			
between financial and non financial accounts*					
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP		X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

* France does not intend to implement this consistency check on quarterly data

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)		X			

6.3 Major events monitoring

Information on major events is reported.

6.3.1 Large transactions

Large movements in transactions are documented. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	National authorities	Issuance of OAT (Obligations assimilables du Trésor) (35500), and issuance by CADES (Caisse d'Amortissement de la Dette Sociale) (8000)	05Q01	44 564.00	2.59

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

OEF are routinely monitored and reported. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	Market revaluation of shares.	06Q04	30 533.00	1.70
				Market revaluation of shares (the index of the "Société des Bourses Françaises (SBF)" increased by 28%).	99Q04	45 009.50	3.29
				Market revaluation of shares (the index of the "Société des Bourses Françaises (SBF)" increased by 28%).	06Q01	45 179.00	2.52
				The market price of France Telecom increased by 35%.	00Q01	31 298.10	2.17

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

ITALY

I Institutional arrangements

1.1 Compiling institutions

Financial accounts for the general government sector and its sub-sectors are compiled by the Financial Accounts Section at the Economic and Financial Statistics Department of Banca d'Italia (BdI). Quarterly data produced by BdI cover all financial instruments, with the exception of Other accounts receivable/payable (F.79), which are produced by Italian National Institute of Statistics (Istat). The NSI is responsible for the compilation of STPFS. The NCB and the NSI co-operate on both methodological issues and on practical implementation. A joint NBC-NSI working group has recently been established to achieve a better consistency between the two sets of statistics.

1.2 Publication policy

The complete QFAGG dataset is not currently published but some of the QFAGG series are published as they are part of the quarterly "Financial Accounts" supplement of the Statistical Bulletin of the Bank of Italy. The methodological manual "The Italian financial accounts" was published in 2003. Both are available in Italian and in English, on the BdI's website (www.bancaditalia.it).

1.3 Publication timeliness

The average publication lag is 120 days, with the exception of the end-of-year quarter, which is published after the Governor's Annual Report (31st May).

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁶⁰

Table 1.1 Provisional estimate

⁶⁰ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MNO	MO	MO	MO	MO	MO	MO	ON	MNO		ON
	Stocks	MNO	MO	MO	MO	MO	MO	MO	ON	MNO		ON
CG bodies	Transactions	MNO	MO	MO	MO	MO	MO	MO	ON	MNO		ON
	Stocks	MNO	MO	MO	MO	MO	MO	MO	ON	MNO		ON
Local Government												
Transactions		MNO	MO	MO	MO	MO	MO		MNO	MNO		ON
Stocks		MNO	MO	MO	MO	MO	MO		MNO	MNO		ON
Social Security Funds												
Transactions		MNO	MO	MO	MO	MO	MO			MNO		ON
Stocks		MNO	MO	MO	MO	MO	MO			MNO		ON

Table 1.2 Final estimate

Same as table 1.1.

Comments: All data without counterpart information on the asset side of the three sub-sectors are mostly based on direct information, with the exception of the statistics on currency and deposits (F.2), which are mainly based on indirect sources, even though cross-checked with direct sources. Information on securities other than shares in the liability side of central government, obtained from BdI's "Monetary Policy and Foreign Exchange Rate Department", has been considered as a direct source (see 2.1.1).

Sources are the same for provisional and final data.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	MO	MO	MO	IN
	Stocks	MO	MO	MO	IN

CG bodies	Transactions	MO	MO	MO	IN
	Stocks	MO	MO	MO	IN
Social Security Funds					
	Transactions	MO	MO	MO	IN
	Stocks	MO	MO	MO	IN

Table 2.2 Final estimate

Same as table 2.1.

Comments: All data with counterpart information on the asset side of the three sub-sectors are mostly based on direct information. Data on loans and deposits in the liability side of the three sub-sectors are mostly based on indirect information. However, in this latter case, it should be stressed that the reporting unit is a party involved in the transaction.

Sources are the same for provisional and final data.

2.1 Direct sources

2.1.1 Central government

Direct information is obtained from the *Quarterly Report on Cash Borrowing Requirement* and direct reports by Ragioneria Generale dello Stato. Information on securities other than shares (liabilities) issued by central government is obtained from Bdl's "Monetary Policy and Foreign Exchange Rate Department", which manages bills and bonds auctions on behalf of the Treasury; therefore, this source can be considered as a direct source as well. Data are available on a monthly basis and with less than one month reporting lag.

2.1.2 State government

Not applicable.

2.1.3 Local government

Direct information is obtained from the *Quarterly Report on Cash Borrowing Requirement* and direct reports by Ragioneria Generale dello Stato. For local government a direct source is available on a quarterly basis and with 90 days of reporting lag.

2.1.4 Social security funds

Direct information is obtained from the *Quarterly Report on Cash Borrowing Requirement* and direct reports by Ragioneria Generale dello Stato.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Data on currency and deposits (assets) are obtained from BdI accounting service (as for the Central government) and from the banks' Report to BdI collected by the Banking Supervision Departments (for the other sub-sectors). Loans (liabilities) are based on Money and banking statistics source; other sources (i.e. BdI Financial Intermediaries Supervision Department) are used for securitisation operations not considered as sales, with the same frequency and reporting lag.

2.2.2 Balance of payments statistics

The component of deposits (assets) with non-resident units is taken from Balance of payments statistics. Data are produced on a quarterly basis (monthly in few cases) and with a 90 day reporting lag.

Loans (assets) granted to the rest of the world, by both central and local governments, are collected by the Balance of payments statistics on a quarterly basis, with a 90 days reporting lag. Transactions concluded without the intermediation of an Italian bank (notably, debt cancellation versus developing countries), entering both the Balance of payments and the financial accounts-EDP data, are also collected via direct reports to Istat and Banca d'Italia.

2.2.3 Securities issues statistics

Information on securities other than shares (liabilities) issued by central government, and obtained from BdI's "Monetary Policy and Foreign Exchange Rate Department", has been considered as a direct source (see 2.1.1).

2.2.4 Other financial intermediaries statistics

Not used.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

There are no other financial data used.

III Data coverage

3.1 Delimitation of general government (sector boundary)

In Italy, the general government sector is divided into three sub-sectors: Central government, Local government, and Social security funds. ESA95 also provides for the sub-sector State government, which is not applicable to Italy.

Central government. The sub-sector includes the administrative departments of the State and other central agencies whose competence normally extends over the whole territory, except for social security funds. It also includes non-profit institutions which are controlled and mainly financed by the central government and whose competence extends over the whole national territory.

The following belong to the sub-sector: central government departments and constitutional bodies, the State Treasury, entities engaged in the production of economic services and regulation of economic activity (but not the independent administrative authorities), entities engaged in the production of welfare, recreational and cultural services, and research entities.

Local government. The sub-sector consists of public bodies whose competence extends to only part of the national territory, excluding social security funds. It includes non-profit institutions controlled and mainly financed by local governments, whose competence is limited to the territory of such governments. In detail, the following belong to the sub-sector: regional and provincial governments and metropolitan cities; municipal governments and unions of municipalities; entities engaged in the production of economic services and regulation of economic activity (provincial tourist boards, public housing administrations, regional development agencies); entities engaged in the production of welfare, recreational and cultural services (public universities and university institutes, welfare and charitable institutes).

Social security funds. The sub-sector comprises all central and local institutional units whose principal activity is to provide social benefits (INPS, INAIL, INPDAP and others) and which fulfill the following criteria: (i) by law or by regulation certain groups of the population are obliged to participate in the scheme or to pay contributions; (ii) general government is responsible for the management of the institution in respect of the settlement or approval of the contributions and benefits independently from its role as supervisory body or employer.

3.2 Coverage of financial instruments

Currency and deposits. Stocks of currency are recorded at face value. Deposits, an instrument for which a secondary market does not exist, are recorded as the amount of the principal that the debtors are contractually obliged to repay the creditors at the expiry of the contract (nominal value). In accordance with the accrual principle, deposits include interest accrued but not yet paid. In Italy transferable deposits consist mainly of overnight deposits.

Assets and liabilities of general government currency and deposits include: banknotes in circulation issued by the Bank of Italy, overnight deposits, deposits of the Treasury with the Bank of Italy (Treasury payments account and debt redemption account, coins in circulation issued by the Treasury,

deposits with the Treasury, post office current accounts), post office savings books and post office savings certificates.

Short-term securities. In accordance with ESA95, Italian data do not include securities whose transactions are scarce or entirely absent. In such cases the instruments in question should be included in deposits or loans. In Italy this is the case of certificates of deposit and post office savings certificates, classified as deposits (whereas in other countries such instruments are negotiable and an organized secondary market exists, and they are included in securities).

Short-term securities have an original maturity of up to one year; like other securities they are recorded at market value. For the purposes of calculating net issues, gross issues are recorded at the allotment value. QFAGG data on short-term securities include: Treasury bills (BOTs); commercial paper; acceptances issued by banks, other financial intermediaries and non-financial corporations; Short-term securities issued by the rest of the world.

Medium and long-term securities⁶¹. These differ from short-term securities only in their original maturity, which is more than one year. Stocks are valued at market cum-coupon prices, including accrued interest, except for securities issued by local government, which are valued at face value.

Derivatives. Derivatives are financial assets whose value depends on another instrument. The underlying instrument is usually another financial asset (for example, a security), but may also be a commodity or an index. For ESA95 the category derivatives includes all options, futures, warrants, swaps and forward rate agreements that are tradable or that can be offset on the market; all derivatives that are tradable or for which there is a market value, whether or not the relevant market is regulated, must therefore be recorded. In the Italian financial accounts, the following types of contract are recorded: forwards, futures, options, swaps and forward rate agreements. All of them are recorded at market value. Following a revision of ESA95 (3 December 2001), streams of payments related to swaps and forward rate agreements are recorded as further acquisitions of the underlying financial derivative.

Loans. Loans are created when a creditor lends funds to another person. They are generally not evidenced by credit instruments. When they are, the document must not be negotiable; otherwise, it would have to be called a security. Loans give entitlement to receive interest.

For the purposes of distinguishing between loans and deposits, the transaction is recorded among deposits if the initiative lies with the lender and among loans if the initiative lies with the borrower. Bank loans include interest accrued but not paid. Stocks of loans are recorded at nominal value, i.e. the amount of the principal that the debtors are contractually obliged to repay the creditors at the expiry of the contract. Short-term loans (ESA95 code F.41) include loans with an original maturity of up to one year. Medium- and long-term loans (ESA95 code F.42) comprise: Loans deriving from former management of stockpiling bills and other medium and long-term loans of the Bank of Italy to

⁶¹ In the Italian financial accounts medium and long-term securities comprise: bank bonds, including those issued abroad; Treasury credit certificate (variable coupon); Treasury discount certificates (CTSs); Treasury index certificates (CTRs); Treasury option certificates (CTOs); Treasury fixed-rate credit certificates; Treasury bonds (BTPs); former Cassa Depositi e Prestiti bonds; Treasury zero-coupon certificates (CTZs) and other government securities; Crediop bonds on behalf of the Treasury; Special Treasury certificates; Republic of Italy loans issued abroad in the form of bonds; State Railway bonds to be redeemed by the Treasury; medium and long-term securities issued by local government; bonds issued by public enterprises; bonds issued by private enterprises; bonds issued by other financial intermediaries; bonds issued by insurance corporations; foreign securities.

the Treasury, liabilities of the Bank of Italy to the Treasury; medium and long-term loans of the former Cassa Depositi e Prestiti to local authorities and public enterprises; medium and long-term loans to other residents and to non-residents; loans with the Rest of the World, including non-performing loans.

Shares and other equity. QFAGG shares and other equity comprise the following items: Listed shares and unlisted shares issued by non-financial corporations, banks, other financial intermediaries and insurance corporations; other equity issued by non-financial corporations, banks, other financial intermediaries and insurance corporations; listed shares, unlisted shares and other equity issued by non-residents. Stocks of shares are recorded at market value.

Mutual fund shares. These are issued by a specific type of financial corporation whose purpose is to invest in the financial markets. In accordance with the provisions of ESA95, stocks are recorded at the current redemption value. Issues and net purchases of mutual fund shares include investment income earned during the period considered by the management of the fund, which is considered as attributed to shareholders and reinvested in the fund.

Insurance technical reserves. Technical reserves are the provisions of insurance corporations and pension funds for future payments to beneficiaries. Technical reserves are recorded on the basis of the current value of the rights of the insured to payments. Reserves are not entered as liabilities of social security funds because the latter disburse benefits according to the pay-as-you-go method, i.e. they pay pensions out of current receipts and do not have a provision in which contributions paid in are set aside. Reserves enter QFAGG data on the general government asset side only, as prepayments of insurance premiums and reserves for outstanding claims (ESA95 code F.62).

Other accounts receivable/payable. This category consists of all financial assets created as counterparts of a financial or non-financial transaction in which there is a difference between the time of the transaction and that of settlement. Data include claims created as a result of the timing difference between accrued transactions and payments in respect of taxes, social benefits and other transfers. The category "other accounts receivable/payable" does not include the timing differences between cash and accrual accounting of interest on securities, which are included in the relevant financial instrument. Data on F.79 are currently produced by Istat.

3.3 Breakdown by original maturity

See section 3.2.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Direct information is partially integrated with other sources, including balance of payments as for transactions with non-resident units.

3.4.2 State government

Not applicable.

3.4.3 Local government

Direct information is partially integrated with indirect sources, mainly banking statistics on securities held for safekeeping..

3.4.4 Social security funds

Direct information is partially integrated with indirect sources, mainly banking statistics on securities held for safekeeping.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Direct source is available for loans (F.4) granted by central government to the other sub-sectors of general government. Direct source is integrated by banking custodian statistics on safekeeping for government bonds held by government sub-sectors.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Already described in items 2 and 3.4

3.7 Breaks in time series (former comparability over time)

Breaks are observable for loans, both assets and liabilities, in 2003Q4 (other change in stock due to the reclassification of “Cassa Depositi e Prestiti” from central government to financial corporations) and for holding of shares in 1999Q4 (a big public company, Enel, quoted on the market for privatization).

IV Current compilation methods

4.1 Stocks and flows

There is separate information on stocks and flows. Stock data for the total amount of securities issued by the general government is at nominal value. Market value is available only for those listed on the Italian market for government securities (which is the biggest part). Indexes computed on the basis of this subset's information are then calculated for each category of securities, and then applied to total nominal stock.

4.1.0 Information from stocks or flows ⁶²

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS (MO)	FF	FF	FF	FS	FF	FS	FF	FS		FF
	Stocks	SS(MO)	SF	SF	SS(MO)	SS	SF	SS	SS	SS		SF
CG bodies	Transactions	FS (MO)	FF	FF	FF	FS	FF	FS	FF	FS		FF
	Stocks	SS(MO)	SF	SF	SS(MO)	SS	SF	SS	SS	SS		SF
Local Government												
Transactions		FS(MO)	FF	FF	FF	FS	FF		FF	FS(MO)		FF
Stocks		SS(MO)	SF	SF	SS(MO)	SS	SF		SS	SS(MO)		SF
Social Security Funds												
Transactions		FS(MO)	FF	FF	FF	FS	FF			FS		FF
Stocks		SS(MO)	SF	SF	SS(MO)	SS	SF			SS		SF

Table 3.2 Final estimate

Same as table 3.1

Comments:

In general, financial transactions are derived from flow-source data and stocks are based on stock-source data. However, for deposits, flows are based on stock-data information, whereas for loans and a very small part of securities (on the asset side) stocks are based on flow-source data. Stock data on *Other accounts receivable and payables* are derived from flows. The same methods apply to provisional as well as to final estimates.

⁶² Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**). In case the answer differs for provisional and for final statistics, you might attach an appropriate sign such as FS-P (for provisional - in that case, the final statistics are assumed to be FF by default). Whenever there are different cases applicable across units and instruments, you might also attach indication for mostly (MO) or for in part (IN) to your answer.

As no detail is available at the sub-sub-sector level, information for the Central government bodies is the same as that for “The State”.

4.1.1 Financial transactions

In almost all cases of marketable instruments there is separate information on both stocks and flows.

4.1.2 Ensuring consistency between stocks and flows

There is no integrated source data system. First no detail is available at the sub-sub-sector level, information for the Central government bodies is the same as that for “The State”. Second, many different sources are used such as D6; H3; I1; I3; J6. Financial accounts production is on a quarterly basis. Sources are the same for provisional and final data, except for some infra-annual information provided by Cassa Depositi e Prestiti, that is slightly revised when the annual data are available. No detail is available for sub-sub-sectors: sources refer to the whole sub-sector.

Consistency is checked to assess the plausibility of the Other economic flows, but not imposed *ex-post*.

4.1.3 Revaluations

The revaluation component of Other Economic Flows is regularly checked on the basis of revaluation indexes and of average interest rates for the relevant maturity.

4.2 Other changes in the volume of assets

OCVs are assessed in cases in which (a) information on flows is derived from stocks and (b) a major change occurs (this was the case, notably, with transformation of Cassa depositi e prestiti into a corporation limited by shares).

4.3 Valuation of financial instruments

In cases where stock data are originally at nominal value, market indexes are calculated for the relevant assets, and applied to original data. The most important case is stock data for the total amount of securities issued by the general government, at nominal value. Market value is available only for the part listed on the Italian market for government securities (which is the biggest part). Indexes computed on the basis of this subset's information are then calculated for each category of securities, and then applied to total nominal stock. Quoted shares are valued at current market price on a security by security basis. Unquoted shares are valued on the basis of stock market indexes for the corresponding branches of activity.

For unquoted equity the book value is recorded when no market valuation is applicable since no similar market exists.

4.4 Accrual accounting and recording of interest

All data are recorded according to a full accrual basis.

Interest accrued but not yet paid is always recorded as reinvested into the parent financial instrument. No use is made of the F.79 item for these purposes.

Calculation of interest is based on direct information at the inception, on a security by security basis. Conditions determined at the moment of issuance are then used for future periods.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

In a few cases information is available only on an annual basis. The standard procedure we use is to estimate the relationship between the annual time series and a higher frequency indicator, over a range in which both are observable. Then, quarterly infra-annual information is obtained using a standard disaggregating method (basically the Chow-Lin algorithm). This method implies the possibility of revisions in previous year's data as well, since the parameters are recalculated every time the series are updated. By construction, though, this may only impact the infra-annual partition of the annual figure, but has no influence on the annual value.

4.5.2 Extrapolation methods

In cases where some information is not ready before the database production, standard econometric methods are used for extrapolation (principally ARIMA models). When the time series is not available because it is annual, the method described in (4.5.1) is adopted to foresee the quarterly corresponding data on the basis of the observed indicator. Provisional data on AF.4 (last quarter, general government assets) are derived from the corresponding flows, on the basis of the previous stock.

4.5.3 Other methods - adjustment of source data for compilation

There are no other methods used.

4.6 Consolidation methods⁶³

Consolidation is made according to the method recommended by the Task Force on QFAGG, i.e. data on sub-sectors do not include the intra-subsector position and transactions, but include cross positions and transactions.

⁶³ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.7 Conversions (euro, foreign currency)

4.8 Revisions policy or coherence between provisional and final statistics

Time series are revised every time new or better information is available.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

A vertical balancing procedure has been developed on a quarterly basis as part of the regular compilation cycle.

Quarterly financial accounts data are generally comparable with quarterly non-financial accounts data on recent quarters. However, high discrepancies are observed on back data.

5.2 Coherence between quarterly and annual data

When differences are observed between quarterly and annual data, they result from vintages.

5.3 Comparability with government debt⁶⁴

QFAGG data are mainly consistent with Q-debt data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

MUFA and QFAGG are compiled with the same dataset, thus only marginal differences might arise due to different data vintages.

VI Consistency and plausibility checks on QFAGG data.

⁶⁴ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

6.1 Consistency checks

Systematic checks are carried out on the consolidation, on the consistency between financial and non-financial accounts, on the consistency between quarterly and annual figures, and on the consistency between QFAGG data and EDP data (Table 3).

Frequency	Sys	Occ	N.a.	Int.
Types				
of consolidation: equality between assets & liabilities	X			
between financial and non financial accounts	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Plausibility between stocks and flows and on appreciation/depreciation of stocks for the various financial instruments is also inspected systematically. QFAGG series are compared with other comparable statistics.

Frequency	Sys	Occ	N.a.	Int.
Types				
on consolidation : calculation of consolidating flows and stocks	X			
between flows and stocks	X			
of growth rates of stocks	X			
of growth rates of flows	X			
of counterpart data in the QFAGG dataset	X			
of the yield on assets and liabilities (property income / stocks)		X		

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.3 Major events monitoring

Information on major events is reported.

6.3.1 Large transactions

The largest transactions are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Normal operations (movements in the current account held by the Ministry of Economy and Finance with the Bank of Italy).	05Q01	35 442.00	2.49
					03Q04	-32 550.00	2.44
F.33	Long-Term	Liabilities	National authorities	normal operations (the debt level is also high in Italy).	05Q01	45 665.00	3.21

**Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).*

6.3.2 Other economic flows (OEF)

OEF are regularly monitored and reported. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Liabilities	National authorities	Other change in volume due to the change in sector classification of "Cassa Depositi e Prestiti", CDP spa, from Central government to Financial corporations.	03Q04	-45 262.00	3.39
F.4	Long-Term	Liabilities	National authorities	Other change in volume due to the change in sector classification of "Cassa Depositi e Prestiti", CDP spa, from Central government to Financial corporations.	03Q04	48 157.20	3.61

**Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).*

CYPRUS

I Institutional arrangements

1.1 Compiling institutions

The organisation in Cyprus which has at present the basic responsibility for the compilation of quarterly financial accounts of Central Government (S.1311) and Social Security Funds (S.1314) is the Ministry of Finance (MoF). It is intended that this responsibility will be assumed at some point in time in the future by the Statistical Service of Cyprus (CYSTAT). Until the required level of technical know-how is developed and the relevant human resources arrangements are made, the role of CYSTAT as well as that of the Central Bank of Cyprus (CBC) is limited to the provision of primary data to the MoF for use in the compilation process. In addition, CYSTAT and CBC transmit the produced data to Eurostat and ECB respectively.

1.2 Publication policy

Data are not published.

1.3 Publication timeliness

Data are not published.

II Statistical sources

2.0 Source Data

Both direct and indirect sources are used.

2.0.1 - Statistics without counterpart sector information⁶⁵

Table 1.1 Provisional estimate

⁶⁵ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

This table was not provided by the country.

Table 1.2 Final estimate

This table was not provided by the country.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

This table was not provided by the country.

Table 2.2 Final estimate

This table was not provided by the country.

2.1 Direct sources

2.1.1 Central government

(a) *Government's Financial Report:* For the annual financial accounts and the quarterly financial accounts of the last quarter, the data is obtained through the annual Financial Report. The Financial Report is prepared by the Treasury of the Republic.

(b) *Financial Information Management Accounting System (FIMAS):* For the compilation of the quarterly financial accounts for the central government (S.1311), excluding the financial accounts of the five semi-government organizations belonging to the sub-sector of central government, the data is obtained from the integrated FIMAS where all transactions of the government sector including social security funds are administered through this system.

2.1.2 State government

Not applicable.

2.1.3 Local government

Data is available only on an annual basis from the Government's Financial Report and the Annual Financial Statements of Local Municipalities. There is no available data source on a quarterly basis.

2.1.4 Social security funds

The source for social security funds is FIMAS.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

(a) *Balance Sheet of the Central Bank of Cyprus:* prepared by the Central Bank of Cyprus and audited by the Auditor General of the Republic. It is produced on an annual as well as monthly basis with a time delay of 17 and 21 working days respectively.

2.2.2 Balance of payments statistics

Currently not used.

2.2.3 Securities issues statistics

Currently not used.

2.2.4 Other financial intermediaries statistics

Currently not used.

2.2.5 Non-financial corporations balance sheets

(a) *Financial statements of market semi-governmental organizations:* prepared by the management of these organizations and audited in all cases by the Auditor General of the Republic, while in most of the cases, an additional audit is also made by auditors of the private sector. They include Profit & Loss and Balance Sheet statements as well as relevant supplementary notes. The statements are produced only on an annual basis with a time delay of 6 months (at the earliest) after the end of the reference year.

2.3 Other financial data

(a) *Cyprus Stock Exchange:* an electronic file is sent on an annual basis with approximately a time delay of 3 months containing all relevant data (market prices, capitalization, value of transactions, stock holdings etc) for each quoted share, warrant or security.

(b) *Financial statements of non-market semi-governmental organizations included in the central government (s.1311):* prepared by the management of these organizations and audited in all cases by the Auditor General of the Republic, while in most of the cases, an additional audit is also made by auditors of the private sector. They include profit & loss and balance sheet statements as well as relevant supplementary notes. The statements are produced only on an annual basis with a time delay of 6 months (at the earliest) after the end of the reference year.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The delimitation used is consistent with the one used in the case of non-financial accounts of general government. The existing data sources allow reaching full coverage for instruments and sub-sectors.

3.2 Coverage of financial instruments

Data transmitted currently cover consolidated and non-consolidated data for stocks and transactions for sector S.13 and its sub-sectors for all the instruments requested in the Regulation from 2004Q1 onwards. Before, some information is missing for the instrument F.2/AF.2 because data on currency and deposits is not available from FIMAS prior to 2004. An estimate should be made in the future.

3.3 Breakdown by original maturity

In all cases, data for Securities other than shares (AF.3) and for Loans (AF.4) is available in sufficient detail to allow for the required breakdown by original maturity, that is breakdown by short-term (1 year or less) and long-term (more than 1 year). The specific breakdown is available on both annual and quarterly basis.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Counterpart information is available for most of the counterpart sectors in the cases of securities other than shares (both short-term and long-term) and for all sectors in the cases of loans and shares and other equity. However, the administrative data that is available needs to be transformed into the required sector breakdown (classification of existing breakdown according to institutional sectors). In future transmissions, an attempt will be made to transmit such information.

3.4.2 State government

Not applicable.

3.4.3 Local government

No adequate information is available from the currently used data sources (mentioned under 2.1.3.).

3.4.4 Social security funds

Counterpart information is available for the counterpart sub-sector central government (short-term and long-term securities other than shares). In future transmissions, an attempt will be made to transmit such information.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Direct information on financial transactions is available only in the case of shares and other equity. For all other cases, financial transactions are compiled indirectly as differences between stock values of each instrument (excluding revaluation and other volume changes, if any). For consolidation purposes, the relevant information concerning stocks is available.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Direct information on financial transactions is available only in the case of "shares and other equity". For all other cases, financial transactions are compiled indirectly as differences between stock values of each instrument (excluding revaluation and other volume changes, if any).

3.7 Breaks in time series (former comparability over time)

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ⁶⁶

Information on stocks is independent. Therefore the calculation of transactions is based on stocks. The only exception to this practice is the case of "shares and other equity" where direct information on both stocks and transactions is available.

Table 3.1 Provisional estimate

This table was not provided by the country.

⁶⁶ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Table 3.2 Final estimate

This table was not provided by the country.

4.1.1 Financial transactions

Direct information on financial transactions is used only in the case of Shares and other equity. For all other cases, financial transactions are compiled indirectly as differences between stock values of each instrument.

4.1.2 Ensuring consistency between stocks and flows

No answer to the questionnaire on discrepancies.

For all instruments and sub-sectors, the difference between stock values for each year and each quarter is examined. Any suspicious value for these differences is investigated and, where relevant information on flows exists, is used to make corrective adjustments if needed.

4.1.3 Revaluations

Revaluations are recorded only in the case of Shares and other equity. For annual data, these are computed indirectly as the change between the end-year values minus any value observed for transactions. For quarterly data, the same computation is used but all the relevant revaluation values are allocated to the 4th quarter, since the corresponding values for stocks and transactions are available only on an annual basis.

4.2 Other changes in the volume of assets

Currently, no information on other changes in volume is readily available. They are implicitly assumed to be zero. In the rare cases where these will be identified, they will be processed.

4.3 Valuation of financial instruments

Almost all instruments are presented in market value. Only exceptions are the unquoted shares and the securities other than shares.

In the case of unquoted shares, nominal and book values are used as the best proxies for market values, since the examination of the specific cases leads to the conclusion that no suitable or representative coefficient can be used to transform these into market values. In the case of securities other than shares, the nominal value is the one taken in all types of securities. Due to the fact that the securities that are listed in the Cyprus Stock Exchange are seldom subject to trading and the size of the relevant transactions is not adequately significant, no representative market price can be extracted and used.

4.4 Accrual accounting and recording of interest

The ESA95 accruals principles are being applied. Based on the Cyprus situation and relevant expert advice on the general issue of accrual recording, there is a need for time adjustments only in the cases of Income Tax and VAT. From 2005 onwards, an accrual adjustment is being made also for the Own Resources contributions provided for the financing of the EU Budget (Traditional, VAT, GNI). For any accrual adjustments made in the non-financial accounts, the corresponding adjustments are equally reflected in the financial instrument "Other accounts receivable/payable" (F.79). For quarterly data, the values reflecting these adjustments are allocated to the 4th quarter.

No adjustment for accrued interest is currently made in annual and quarterly data, since the accrual figures hardly differ from the cash ones, according to relevant expert assessment (technical assistance in the context of Eurostat's Pilot Project on GFS and FA to Cyprus).

4.5 Interpolation, extrapolation, and other estimation methods

No use has been made of interpolation or extrapolation methods

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

Due to the absence of quarterly data on the sub-sector Local Government (s.1313) (see point 2.1.3) and the non-market semi-government organizations included in Central Government (s.1311), the annual value was allocated to the 4th quarter

4.6 Consolidation methods⁶⁷

4.7 Conversions (euro, foreign currency)

For central government (s.1311), the translation of Foreign Currencies into Cyprus Pounds is ensured by FIMAS. The facilities of the specific system (use of daily exchange rates) allow the proper calculation which is the use of the exchange rate applicable at the time of transaction for *financial transactions* data and the end-period rate for *stocks* data. This approach refers to both annual and quarterly data.

⁶⁷ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

For the other sub-sectors, the issue of conversion is seen to be either non-existent at all or extremely negligible in extent.

4.8 Revisions policy or coherence between provisional and final statistics

Quarterly Financial Accounts of General Government have a different transmission deadline from the Annual Financial Accounts of Institutional Sectors (including the General Government). For the latter, it is currently $t+9$ months after the end of the reference year, whereas for the former it is $t+3$ months after the end of the reference quarter. Any revisions of quarterly data for previous quarters will be transmitted upon every transmission deadline and the respective annual data will be revised accordingly (if needed) upon their own separate transmission deadline.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

The difference between net borrowing, as measured from the non-financial and financial sides, is used as a significant check on the quality of the accounts and a verification of the results, every time these are produced. Extensive investigations to the maximum possible extent that is permitted by the data availability are carried out on both annual and quarterly data if the differences observed are seen to be significant.

5.2 Coherence between quarterly and annual data

The consistency between the quarterly and annual financial accounts of General Government is also systematically checked and ensured except for AF 331 and 332.

5.3 Comparability with government debt

QFAGG data are consistent with quarterly debt data for all categories except AF.331 and AF.332.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

VI Consistency and plausibility checks on QFAGG data

The plausibility between *stocks* and *flows* is checked to the extent that the direct information on these (*transactions, revaluation, other changes in volume*) allow it. Other plausibility checks concerning consolidation or counterpart data will be carried out when these data are made available for future transmissions.

6.1 Consistency checks

6.2 Plausibility checks

6.3 Major events monitoring

No major events have been reported yet.

6.3.1 Large transactions

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Liabilities	Eurostat		00Q02	161.00	2.78
					00Q04	182.00	3.15
					01Q02	-164.00	2.64
					02Q02	358.00	5.58
					02Q03	-791.00	12.33
		Assets	Eurostat		04Q02	217.00	2.94
					05Q04	-292.00	3.71
					06Q01	358.00	4.28
					06Q02	-225.00	2.69
					06Q04	-204.00	2.44
F.33	Short-Term	Liabilities	Eurostat		02Q01	-198.00	3.09
					04Q01	291.00	3.94
					04Q03	-366.00	4.95
	Long-Term	Liabilities	Eurostat		01Q02	151.00	2.43
					02Q01	432.00	6.73
					02Q02	-164.00	2.56
					03Q01	205.00	2.99

					03Q02	165.00	2.40
					04Q03	335.00	4.53
					05Q02	231.00	2.94
					06Q01	217.00	2.60
F.4	Long-Term	Liabilities	Eurostat		02Q03	959.00	14.95

**Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).*

6.3.2 Other economic flows (OEF)

The highest reported OEF is as follows.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities		01Q04	80	1.30

**Values are in millions of national currency. There are no OEF above the threshold (1.6 %).*

LATVIA

I Institutional arrangements

1.1 Compiling institutions

The Statistics Department of the Bank of Latvia was responsible for the compilation of quarterly financial accounts for general government (QFAGG) up to 31 December 2005. From 1st January 2006 onwards, Central Statistical Bureau of Latvia is responsible for the compilation of QFAGG in close cooperation with the Treasury.

1.2 Publication policy

The data are not published.

1.3 Publication timeliness

The data are not published.

II Statistical sources

State and municipal budget institutions started to submit new quarterly reports to the Treasury beginning with the data of the first quarter of 2006⁶⁸. Although these reports encompass required breakdown of instruments and counterpart sectors for both transactions and stocks, the budget institutions have to submit the data on counterpart sectors only from 1 January 2007 due to major changes of accounting and reporting systems. The timeliness of T+2 months is adjusted to ensure compilation of QFAGG.

New quarterly survey called "2-FAP" or "Financial Assets and Liabilities" is also developed for reallocated institutions into government sector. This survey encompasses required breakdown of instruments and counterpart sectors for both transactions and stocks. The frequency and timeliness of these surveys are adjusted to ensure compilation of QFAGG.

⁶⁸ According to the Regulation No.811 issued by the Cabinet of Ministers of 25 October 2005

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁶⁹

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
	Stocks	ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
CG bodies	Transactions	ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON
	Stocks	ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON
Local Government												
Transactions		ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
Stocks		ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
Social Security Funds												
Transactions		ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON
Stocks		ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON

Comments: Only direct data sources are used in QFAGG compilation for all instruments for both transactions and stocks, encompassing full sector coverage. If information is not ensured by direct data sources, best estimates are used based on the data which are provided by direct data sources.

⁶⁹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
	Stocks	ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
CG bodies	Transactions	ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON
	Stocks	ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON
Local Government												
Transactions		ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
Stocks		ON	ON	ON	ON	n.a.	ON	ON	ON	ON	n.a.	ON
Social Security Funds												
Transactions		ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON
Stocks		ON	ON	ON	ON	n.a.	ON	n.a.	ON	ON	n.a.	ON

Comments: Revisions are possible on past data based on the improved methodology, new data sources or best estimates in each transmission of QFAGG.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
CG bodies	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
Social Security Funds					
Transactions		MO	ON	ON	ON
Stocks		MO	ON	ON	ON

Comments: Only direct data sources are used in QFAGG compilation for all instruments for both transactions and stocks, encompassing full sector coverage. If information is not ensured by direct data sources, best estimates are used based on the data which are provided by direct data sources.

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
CG bodies	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
Social Security Funds					
Transactions		ON	ON	ON	ON
Stocks		ON	ON	ON	ON

Comments: Revisions are possible on past data based on the improved methodology, new data sources or best estimates in each transmission of QFAGG.

2.1 Direct sources

For QFAGG compilation direct data sources are in Latvia:

2.1.1 Central government

- The survey "Valsts budžeta finanšu bilance" and annexes (information from the Treasury used for the sub-sector S.1311);
- The survey "Valsts budžeta iestāžu grāmatvedības bilance" and annexes (information from the Treasury used for the sub-sector S.1311);
- The report "Naudas līdzekļu atlikumi Valsts kases kontos" (information from the Treasury used for the sub-sector S.1311);
- The report "Valsts un pašvaldību parāds" (information from the Treasury used for the sub-sectors S.1311 and S.1313);
- The report "Valsts ārējais parāds" (information from the Treasury used for the sub-sector S.1311);
- The report "Valsts parāda vadības atskaite" (information from the Treasury used for the sub-sector S.1311);

- Information system of the Treasury "SAP R/3" (used for the sub-sectors S.1311, S.1313 and S.1314);
- Information system of the Treasury "Information system of state budget (VBIS)" (used for the sub-sectors S.1311, S.1313 and S.1314);
- The survey "Pašvaldību budžeta iestāžu grāmatvedības balance" and annexes (information from the Treasury used for the sub-sector S.1313);
- "Pašvaldību pamatbudžeta, speciālā budžeta, ziedojumu un dāvinājumu izpildes rādītāji" (information from the Treasury used for the sub-sector S.1313);
- Execution of the programme "Saimnieciskā gada pārskats par Valsts budžeta un pašvaldību budžetu izpildi" (information from the Treasury used for the sub-sector S.1313);
- "Saimnieciskās darbības gada pārskats" of State Social Insurance Agency and annexes (information from the Treasury used for the sub-sector S.1314);
- "Grāmatvedības balance par budžeta daļu" of State Social Insurance Agency and annexes (information from the Treasury used for the sub-sector S.1314);
- The annual survey's "1-FAP" "Financial Assets and Liabilities" (information from Central Statistical Bureau of Latvia used for the sub-sectors S.1311 and S.1313);
- The quarterly survey "2-FAP" "Financial Assets and Liabilities" (information from Central Statistical Bureau of Latvia used for the sub-sectors S.1311 and S.1313);
- Information from the Ministry of Economics.

The annual survey "Valsts budžeta finanšu balance" or financial balance sheet of State budget execution is a direct data source provided once a year as a part of "Annual report of state budget execution and local government budgets". Annexes to this survey provide detailed information on the positions of the survey. The timeliness for aggregated survey is T+7 months after the reference period.

Part of "Annual report of state budget execution and local government budgets" is also the survey "Valsts budžeta iestāžu grāmatvedības balance" or non-consolidated accounting balance sheet of the state budget institutions. It shows total assets and liabilities of the state budget institutions. Annexes to this survey provide detailed information of the accounting balance sheet. The information of state budget institutions is available about the situation on 31 December for the period from 1998 to 2001 and the situation on 30 June, 30 September and 31 December for the years 2002 and 2003. For the year 2004 state budget institutions provided information about the situation on 30 June and 31 December. According to the Regulation No.446 issued by the Cabinet of Ministers of 21 June 2005 state budget institutions submit only annual accounting balance sheets and their annexes. The timeliness for aggregated state budget institutions' survey is T+7 months after the reference period.

"Naudas līdzekļu atlikumi Valsts kases kontos" is the report on amounts of deposits in the Treasury accounts. It is a part of official monthly reports of the Treasury. The frequency of this report is monthly and the timeliness is 15th date after the reference period.

The report "Valsts un pašvaldību parāds" covers information about the state debt and municipal borrowings outside the government sector beginning with the year 2005. Prior to the year 2005 it covered information only about the state debt. The report "Valsts ārējais parāds" covers information about the state external debt. The report "Valsts parāda vadības atskaite" or the report on the state debt management provides the information on transactions and exchange rate fluctuations of state budget debt figures. All these reports are quarterly reports of the Treasury. The timeliness is T+45 days after the reference period.

Two information systems "SAP R/3" and "Information system of state budget (VBIS)" are used as direct data sources in QFAGG compilation. The first one is used only for the data from the year 2002. They both provide additional information on deposits, loans and debt securities. The information in these systems is updated regularly – on a daily basis.

Summary of annual surveys "1-FAP" "Financial Assets and Liabilities" is a direct data source that shows non-consolidated balance sheet items and accounting period transactions of institutions reallocated to the government sector according to the delimitation rules of the general government sector. The timeliness for aggregated survey is T+7 months after the reference period.

Summary of the quarterly survey "2-FAP" "Financial Assets and Liabilities" is a direct data source that shows non-consolidated balance sheet total items and financial transactions of the institutions reallocated to the government sector according to the delimitation rules of the general government sector. The timeliness for aggregated survey is T+75 days after the reference period.

Information from the Ministry of Economics (Privatisation Agency and other institutions under supervision) is required twice a year in the process of compilation of the EDP tables and concerns a total reference year. That information describes the particular financial activities of enterprises where government owns shares or other equity.

2.1.2 State government

Not applicable.

2.1.3 Local government

Being part of "Annual report of state budget execution and local government budgets", survey "Pašvaldību budžeta iestāžu grāmatvedības balance" or non-consolidated accounting balance sheet of the municipal budget institutions is a direct data source that shows total assets and liabilities of the municipal budget institutions. Annexes to this survey provide detailed information of the accounting balance sheet. Municipal budget institutions submit only annual accounting balance sheets and their annexes. The timeliness for aggregated municipal budget institutions' survey is T+7 months after the reference period.

Beginning with the year 1999 "Pašvaldību pamatbudžeta, speciālā budžeta, ziedojumu un dāvinājumu izpildes rādītāji" or execution indices of municipalities basic budget, special budget and donations from the official monthly reports of the Treasury are used for providing quarterly information on deposits. The timeliness is 15th days after the reference period.

Execution of the programme "Saimnieciskā gada pārskats par Valsts budžeta un pašvaldību budžetu izpildi" or the programme of annual report on the execution of state and municipal budgets is used for providing quarterly information on loans of municipalities beginning with the year 2005. This information is available on monthly basis. The timeliness is 15 days after the reference period.

2.1.4 Social security funds

For the period from 1998 to 2003 the survey "Saimnieciskās darbības gada pārskats" of State Social Insurance Agency or annual report of State Social Insurance Agency's economic activities is a direct data source that shows total assets and liabilities of economic activities. Annexes to this survey provide detailed information of the annual report.

The survey "Grāmatvedības balance par budžeta daļu" of State Social Insurance Agency or budget accounting balance sheet of State Social Insurance Agency is a direct data source that shows total assets and liabilities. Annexes to this survey provide detailed information of the budget accounting balance sheet. The information of State Social Insurance Agency is available about the situation on 30 June, 30 September and 31 December for the period from 1998 to 2003 and the situation on 30 June and 31 December for the year 2004. According to the Regulation No.446 issued by the Cabinet of Ministers of 21 June 2005 State Social Insurance Agency submits only annual accounting balance sheets and their annexes. The timeliness for this survey is T+7 months after the reference period.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Not used as an indirect source.

2.2.2 Balance of payments statistics

Not used as an indirect source.

2.2.3 Securities issues statistics

Not used as an indirect source.

2.2.4 Other financial intermediaries statistics

Not used as an indirect source.

2.2.5 Non-financial corporations balance sheets

Not used as an indirect source.

2.3 Other financial data

Not used.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The delimitation of general government is done according to the recommendations in ESA 95 (paragraphs 3.33 and 3.34) and taking into account all criteria mentioned in ESA 95 Manual on government deficit and debt.

Central government

Sub-sector "Central government" covers state budget institutions, except State Social Insurance Agency, and re-allocated enterprises.

Local government

Sub-sector "Local government" covers municipal budget institutions and re-allocated enterprises.

Social security funds

Sub-sector "Social security funds" covers State Social Insurance Agency.

3.2 Coverage of financial instruments

Currency and deposits

Direct data sources ensure coverage of this instrument for the most part. To ensure information on transactions, there are made best estimates for all sub-sectors of general government. Best estimates are also made to ensure quarterly frequency of outstanding amounts based on the annual and semi-annual information as well as on the information about the situation on 30 September. Due to lack of first, second and third quarter data on some assets (e.g. vault cash, assets outside the Treasury) of central government, this instrument does not cover 1-2% of central government's assets of currency and deposits in the first, second and third quarters.

Securities other than shares, excluding financial derivatives

Although investments in debt securities are not separated from investments in shares and other equity in the direct data sources of budget institutions, investments in debt securities are close to zero in Latvia, except for the central government. For the central government specific cases can be identified. This instrument is available only on annual basis for re-allocated institutions in the government sector. To obtain that data on quarterly basis, best estimates are made.

For the liabilities direct data sources ensure coverage of this instrument.

Financial derivatives

Direct data sources ensure coverage of this instrument, except for re-allocated institutions where the information is available on annual basis.

Loans

For the assets side direct data sources partly ensure coverage of this instrument. To ensure information on transactions, there are best estimates made for all sub-sectors of general government. Best

estimates are also made to ensure quarterly frequency of outstanding amounts for all sub-sectors of general government based on the annual information.

For the liabilities direct data sources ensure coverage of this instrument for the most part. Where necessary best estimates are made to ensure quarterly information based on the annual or monthly information. Best estimates are also used to ensure transactions for local government and social security funds.

Shares and other equity

Direct data sources partly ensure coverage of this instrument for the assets side. Best estimates are used to derive quarterly information on stocks and transactions based on the annual and semi-annual information as well as on the information about the situation on 30 September.

Direct data sources ensure coverage of this instrument for the liabilities; however this information is not yet included in the financial liabilities due to necessity of further investigation.

Other accounts receivable/payable

Direct data sources partly ensure coverage of this instrument. Best estimates are used to derive quarterly information on stocks and transactions based on the annual and semi-annual information as well as on the information about the situation on 30 September.

3.3 Breakdown by original maturity

Direct data sources for state and municipal budget institutions ensure breakdown by instruments original maturity for the most part. Direct data sources for municipal budget institutions do not ensure loans breakdown by original maturity before the year 2003 and borrowings breakdown by original maturity before the year 1999. For the state budget institutions breakdown by original maturity is not ensured for approx. 2% of total loans.

Direct data sources for re-allocated enterprises provide breakdown by instruments residual maturity. Nevertheless amounts of instruments for re-allocated enterprises are small, i.e., AF.4 assets proportion of re-allocated enterprises into general government are only 0.7%, AF.4 liabilities proportion - 1.9%, AF.33 assets proportion and AF.33 liabilities proportion - 0%.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Although counterpart information for central government is not ensured sufficiently, best estimates can be made based on a detailed analysis of the data from state and municipal budget institutions.

Investments in debt securities are close to zero; therefore, in specific cases that appear in the past, the counterpart sector is identified.

Loans granted by central government to households mainly are study credits and student credits. There have not been loans between central government and insurance corporations and pension funds.

The residual amount after the consolidation is allocated to loans granted by central government to non-financial corporations.

Direct data sources ensure counterpart information for shares and other equity from the year 2002. For previous periods there are made assumptions based on the data analyses.

3.4.2 State government

Not applicable.

3.4.3 Local government

Not applicable.

3.4.4 Social security funds

Although counterpart information for social security funds is not ensured sufficiently, best estimates can be made based on a detailed analyses of the data.

Social security funds did not invest in debt securities and did not grant loans. Besides there have not been loans between social security funds and insurance corporations and pension funds so far.

Direct data sources ensure counterpart information for shares and other equity from the year 2002. For previous periods there are made assumptions based on the data analyses.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Although counterpart information is not ensured sufficiently, the loans granted by the Treasury to municipalities and social security funds as well as deposits of municipalities and social security funds in the Treasury can be identified.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Direct data sources do not ensure counterpart breakdown for transactions between general government and other sectors (resident and non-resident).

3.7 Breaks in time series (former comparability over time)

There are no breaks in time series.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ⁷⁰

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS	FS	FF	FS/FF	n.a.	FS/FF	FS	FF	FF	n.a.	FS
	Stocks	SS	SS	SS	SS/SF	n.a.	SS/SF	SS	SS	SS	n.a.	SS
CG bodies	Transactions	FS	FS	FS	FS/FF	n.a.	FS/FF	n.a.	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS/SF	n.a.	SS/SF	n.a.	SS	SS	n.a.	SS
Local Government												
Transactions		FS	FS	FS	FS/FF	n.a.	FS/FF	FS	FS	FS/FF	n.a.	FS
Stocks		SS	SS	SS	SS/SF	n.a.	SS/SF	SS	SS	SS	n.a.	SS
Social Security Funds												
Transactions		FS	FS	FS	FS	n.a.	FS/FF	n.a.	FS	FF	n.a.	FS
Stocks		SS	SS	SS	SS	n.a.	SS/SF	n.a.	SS	SS	n.a.	SS

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The	Transactions	FS	FS	FF	FS/FF	n.a.	FS/FF	FS	FF	FF	n.a.	FS

⁷⁰ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

State"	Stocks	SS	SS	SS	SS/SF	n.a.	SS/SF	SS	SS	SS	n.a.	SS
CG bodies	Transactions	FS	FS	FS	FS/FF	n.a.	FS/FF	n.a.	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS/SF	n.a.	SS/SF	n.a.	SS	SS	n.a.	SS
Local Government												
	Transactions	FS	FS	FS	FS/FF	n.a.	FS/FF	FS	FS	FS/FF	n.a.	FS
	Stocks	SS	SS	SS	SS/SF	n.a.	SS/SF	SS	SS	SS	n.a.	SS
Social Security Funds												
	Transactions	FS	FS	FS	FS	n.a.	FS/FF	n.a.	FS	FF	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS/SF	n.a.	SS	SS	n.a.	SS

4.1.1 Financial transactions

For financial transactions of financial derivatives, central government debt securities and central government borrowings, direct information is available, except for re-allocated institutions in the government sector.

Where necessary, quarterly financial transactions of budget institutions are derived on the basis of annual and/or semi-annual outstanding stocks of the instrument as follows:

$$T_F = (S_{EY} - S_{BY})/4,$$

where T_F – financial transactions, S_{EY} – outstanding stock at the end of the corresponding year, S_{BY} – outstanding stock at the beginning of the corresponding year.

or

$$T_F = (S_{EHY} - S_{BHY})/2,$$

where T_F – financial transactions, S_{EHY} – outstanding stock at the end of the corresponding half-year, S_{BHY} – outstanding stock at the beginning of the corresponding half-year.

For all other cases, financial transactions are compiled as differences between subsequent outstanding stocks of the instrument with respect to revaluations and other changes when identified.

4.1.2 Ensuring consistency between stocks and flows

For each of the financial instruments the following formula must hold:

$$S_E = S_B + T_F + C_R + C_O,$$

where S_E - outstanding stock at the end of the period, S_B - outstanding stock at the beginning of the period, T_F – financial transactions of the period, C_R - revaluations and C_O - changes recorded in stocks owing to other changes in volume (e.g. change in institutional units from one sector to another).

No integrated source data exists but quarterly (and yearly) financial accounts are based on B3 for “the state”, municipalities and social security funds and based B2 or B3 for central or local government bodies.

4.1.3 Revaluations

Where possible, there are allocated revaluations, which result from the changes in the national currency (LVL) rate. These changes affect financial instruments denominated in currencies other than the national currency (see also point 4.1.2, C_R).

4.2 Other changes in the volume of assets

Currently there are allocated other changes in the volume of assets which mainly refers to writing-off of bad loans. In principle, other changes in the volume of assets can be reclassification of units between sectors or instruments between the categories or other methodological changes.

4.3 Valuation of financial instruments

Market valuation principle is not respected for the liabilities of securities other than shares. Securities other than shares are still recorded at nominal value in Liabilities.

4.4 Accrual accounting and recording of interest

Accruals principle is respected by using the financial instrument "Other accounts receivable/payable".

Where accrued interest is identified, it is recorded in other accounts receivable/payable.

The debtor approach is being applied.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

Not used.

4.5.2 Extrapolation methods

Not used.

4.5.3 Other methods - adjustment of source data for compilation

If direct data sources do not provide the information on the reporting quarter other methods are used to compile both quarterly financial transactions and stocks. The methods are as follows:

$$1) T_F = (S_{EY} - S_{BY})/4,$$

where T_F – financial transactions, S_{EY} – outstanding stock at the end of the corresponding year, S_{BY} – outstanding stock at the beginning of the corresponding year.

$$2) T_F = (S_{EHY} - S_{BHY})/2,$$

where T_F – financial transactions, S_{EHY} – outstanding stock at the end of the corresponding half-year, S_{BHY} – outstanding stock at the beginning of the corresponding half-year.

$$3) S_Q = S_{BY} + n \times \left(\frac{S_{BY} + S_{EY}}{4} \right),$$

where S_Q – stock at the end of the corresponding quarter, S_{BY} – outstanding stock at the beginning of the corresponding year, n – the number of the quarter, S_{EY} – outstanding stock at the end of the corresponding year.

$$4) S_Q = S_{BHY} + \left(\frac{S_{BHY} + S_{EHY}}{2} \right),$$

where S_Q – stock at the end of the corresponding quarter, S_{BHY} – outstanding stock at the beginning of the corresponding half-year, S_{EHY} – outstanding stock at the end of the corresponding half-year.

In rare cases (e.g., for the breakdown of instruments for re-allocated institutions into government sector and for the breakdown by original maturity) the method of proportion is also used.

4.6 Consolidation methods⁷¹

Consolidated central government

Central government consolidated data means consolidation within the central government level.

Consolidated local government

Local government consolidated data means consolidation within the local government level.

⁷¹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

Consolidated social security funds

Social security funds consolidated data means consolidation within the social security funds level.

Consolidated general government

General government consolidated data means that the data are fully consolidated within the central government level, within local government level, within social security funds level and among the central government, local government and social security funds levels.

Unconsolidated general government

Consolidation method for unconsolidated general government level is consistent with the non-financial accounts: general government unconsolidated data means that the data are consolidated within the central government level, within the local government level, within social security funds level, but are not consolidated among the central government, local government and social security funds levels.

4.7 Conversions (euro, foreign currency)

The official exchange rate of the Bank of Latvia at the end of a particular reporting period is used in order to calculate conversions from foreign currencies to the national currency lats (LVL).

4.8 Revisions policy or coherence between provisional and final statistics

Presently there is no revisions policy for quarterly financial accounts compilation. Nevertheless in each quarterly transmission of QFAGG, revisions are possible on past data based on the improved methodology, new data sources or best estimates.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

In the data transmitted to Eurostat, the discrepancies between quarterly financial and non-financial accounts are quite significant and volatile.

5.2 Coherence between quarterly and annual data

The QFAGG compilation methods are regularly reconciled with those for annual financial accounts. However, annual financial accounts have not been revised yet (except for 2002-2003).

5.3 Comparability with government debt⁷²

QFAGG data are generally consistent with Q-debt data. However, the comparison show that for QFAGG data, the instruments AF.331 and AF.332 are not correctly valued (nominal value is used instead of market value).

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG data are source for MUFA compilation, so the datasets do not differ.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Frequency	Sys	Occ	N.a.	Int.
Types				
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts				X
between quarterly and annual accounts with table 6 & 7 of ESA 95			X	
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

1.2 Plausibility checks

Frequency	Sys	Occ	N.a.	Int.
Types				
on consolidation : calculation of consolidating flows and stocks				X
between flows and stocks				X
of growth rates of stocks	X			
of growth rates of flows				X
of counterpart data in the QFAGG dataset				X

⁷² The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

of the yield on assets and liabilities (property income / stocks)				X
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6.3 Major events monitoring

Major events are evaluated respectively and regularly reported to Eurostat.

6.3.1 Large transactions

Large transactions are reported to Eurostat on a regular basis. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Total	Liabilities	National authorities	Redemption of short term Latvian Government domestic securities.	01Q04	77.00	1.48
F.33	Total	Liabilities	National authorities	Issued Eurobonds (116.30 millions)	04Q02	138.00	

**Values are in millions of national currency. There are no transactions above the threshold (2.4 %).*

6.3.2 Other economic flows (OEF)

Large OEF are reported to Eurostat on a regular basis. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.34	-	Assets	National authorities	Increase of the value of foreign exchange forward agreement.	04Q04	20.00	0.27

**Values are in millions of national currency. There are no OEF above the threshold (1.6 %).*

LITHUANIA

I Institutional arrangements

1.1 Compiling institutions

Statistics Lithuania is responsible for the methodology, compilation and dissemination of QFAGG. The process of production and compilation is closely linked to the work of units responsible for the collection of primary data in the Bank of Lithuania, Ministry of Finance, other institutions and divisions of Statistics Lithuania.

The same unit within the institution (NSI) is in charge of compilation of both QFAGG and STPFS, and activities are coordinated in the National accounts division. The cooperation between QFAGG and STPFS compilers is constant and institutionalised.

1.2 Publication policy

QFAGG data are published on a website www.stat.gov.lt. Data are available in the Statistics (databases) and for free reading in the internet. Publication title: Free Publications - Economy and Finance - Quarterly National accounts. Information is available in Lithuanian and in English.

1.3 Publication timeliness

Data are published 90 days after the end of the quarter.

II Statistical sources

Direct information is the only source data used for all categories except equity of central and local government (for which direct information is used in part).

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁷³

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
	Stocks	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
CG bodies	Transactions	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
	Stocks	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
State Government												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
		ON	n.a.	ON	IN	n.a.	n.a.	n.a.	n.a.	ON	n.a.	n.a.
		ON	n.a.	ON	IN	n.a.	n.a.	n.a.	n.a.	ON	n.a.	n.a.
Social Security Funds												
Transactions		ON	n.a.	n.a.	ON	n.a.	ON	n.a.	n.a.	ON	n.a.	ON
Stocks		ON	n.a.	n.a.	ON	n.a.	ON	n.a.	n.a.	ON	n.a.	ON

⁷³ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
	Stocks	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
CG bodies	Transactions	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
	Stocks	ON	n.a.	ON	IN	ON	ON	ON	ON	ON	n.a.	ON
State Government												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		ON	n.a.	ON	IN	n.a.	n.a.	n.a.	n.a.	ON	n.a.	n.a.
Stocks		ON	n.a.	ON	IN	n.a.	n.a.	n.a.	n.a.	ON	n.a.	n.a.
Social Security Funds												
Transactions		ON	n.a.	n.a.	ON	n.a.	ON	n.a.	n.a.	ON	n.a.	ON
Stocks		ON	n.a.	n.a.	ON	n.a.	ON	n.a.	n.a.	ON	n.a.	ON

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	n.a.	n.a.	n.a.	n.a.
	Stocks	n.a.	n.a.	n.a.	n.a.
CG bodies	Transactions	n.a.	ON	IN	ON
	Stocks	n.a.	ON	IN	ON
Social Security Funds					
Transactions		n.a.	n.a.	ON	ON
Stocks		n.a.	n.a.	ON	ON

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	n.a.	n.a.	n.a.	n.a.
	Stocks	n.a.	n.a.	n.a.	n.a.
CG bodies	Transactions	n.a.	ON	IN	ON
	Stocks	n.a.	ON	IN	ON
Social Security Funds					
Transactions		n.a.	n.a.	ON	ON
Stocks		n.a.	n.a.	ON	ON

2.1 Direct sources

The State Treasury is the main provider of data for central government and local government. Social security funds balance sheets and bookkeeping accounts are another important source of data.

2.1.1 Central government

The main source for compilation of the central government quarterly financial account and balance sheets is the data from the State Treasury department of the Ministry of Finance. It provides information about loans granted and loans received, securities issued. This data are available in t+60 days with quarterly frequency. This data source is used in compiling the following financial instruments:

Assets

Short-term loans granted to public non-financial and financial corporations (F.41 and AF.41);

Long-term loans granted to public non-financial and financial corporations (F.42 and AF.42).

Liabilities

Currency and deposits (F.2 and AF.2);

Short-term securities (F.331 and AF.331);

Long-term securities (F.332 and AF.332);

Short-term loans received from the rest of the world (F.41 and AF.41);

Long-term loans received from the rest of the world (F.42 and AF.42).

2.1.2 State government

Not applicable.

2.1.3 Local government

The main source for compilation of local government quarterly financial account and balance sheets is the data from the State Treasury department of the Ministry of Finance. The Ministry of Finance provides information about local government loans received from the central government and rest of the world under the central government guarantees. Local government does not issue debt securities. This data are available in t+60 days with quarterly frequency. This data source is used in compiling the following financial instruments:

Liabilities

Short-term loans received from the central government and rest of the world under central government guarantees (F.41 and AF.41):

Long-term loans received from central government and rest of the world under central government guarantees (F.42 and AF.42).

At the beginning of 2004 the Ministry of Finance implemented a statistical survey on local government loans directly received from the rest of the world and financial leasing. This data are available in t+60 days with quarterly frequency.

Information about local government loans granted to the municipalities' non-financial enterprises was obtained from the Municipalities quarterly balance sheets. This data source is available at t+60 days with quarterly frequency.

2.1.4 Social security funds

Only direct data sources are used for compilation of quarterly financial accounts of the social security funds. The main source for compilation of quarterly financial account and balance sheets of this sub-sector is balance sheets and bookkeeping accounts of the Social Insurance Fund and the Health Insurance Fund. State Treasury data is used for consistency checks (loans granted by the central government to the social security funds, guarantees given to the social securities funds).

Social security funds do not issue debt securities.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Money and banking statistics is used in compiling for all sub-sectors of the general government:

Assets

Currency and deposits (F.2 and AF.2)

Liabilities

Short-term loans received from the domestic banks (F.41 and AF.41);

Long-term loans received from the domestic banks (F.42 and AF.42).

2.2.2 Balance of payments statistics

The source is not used, because these data are available in t+90 days.

2.2.3 Securities issues statistics

The source is not used, as a direct data source exists on central government securities issued and redeemed.

2.2.4 Other financial intermediaries statistics

Balance sheets of insurance corporations are used. This data source is available in t+60 days with quarterly frequency and used in compiling prepayments of insurance premiums and reserves for outstanding claims (F.62 and AF.62), assets side.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

III Data coverage

3.1 Delimitation of general government (sector boundary)

Central government (S.1311)

The sub-sector covers all institutional units and 6 extra-budgetary funds financed by central government, State company Turto fondas and AB Turto bankas. It includes also some non-profit institutions financed by the central government such as hospitals and rest establishments.

Local government (S.1313)

The sub-sector covers 61 municipalities and extra-budgetary funds belonging to them. It includes also some non-profit institutions financed by the local government such as hospitals and rest establishments.

Social security funds (S.1314)

The sub-sector comprises the Social Insurance Fund, the Health Insurance Fund and Employment Fund.

3.2 Coverage of financial instruments

Statistics Lithuania transmitted to the Commission all quarterly data on financial transactions, financial assets and liabilities as defined in the Regulation.

3.3 Breakdown by original maturity

Classification of financial instruments is generally in line with ESA 95 definitions. Breakdown by short and long term are made by instruments original maturity. Short-term assets/liabilities have the maturity of one year or less. Long term assets/liabilities have the maturity of more than one year.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

ASSETS

Short-term (F.331 and AF.331) and long-term (F.332 and AF.332) securities other than shares.

The central government does not invest in securities other than shares, so the breakdown by counterpart sector is not- applicable.

Short-term (F.41 and AF.41) and long-term (F.42 and AF.42) loans.

Information about loans granted by the central government to non-financial corporations, to insurance corporations and pension funds, and to households is obtained from the Ministry of Finance.

Shares and other equity (F.5 and AF.5)

The central government has non-financial and financial corporation shares. The information about shares is obtained from statistical survey.

LIABILITIES

Short-term (F.41 and AF.41) and long-term (F.42 and AF.42) loans.

The central government does not received loans from ICPFs, so the breakdown by counterpart sector is non-applicable.

3.4.2 State government

Not applicable.

3.4.3 Local government

ASSETS

Short-term (F.331 and AF.331) and long-term (F.332 and AF.332) securities other than shares.

The local government does not invest in securities other than shares, so the breakdown by counterpart sector is non-applicable.

Short-term (F.41 and AF.41) and long-term (F.42 and AF.42) loans.

Information about loans granted by the local government to non-financial corporations, to ICPFs and to households is obtained from the Ministry of Finance.

Shares and other equity (F.5 and AF.5)

The local government has some non-financial corporation shares. The information about shares is obtained from statistical survey.

LIABILITIES

Short-term (F.41 and AF.41) and long-term (F.42 and AF.42) loans.

The local government does not received loans from ICPFs, so the breakdown by counterpart sector is non-applicable.

3.4.4 Social security funds

ASSETS

Short-term (F.331 and AF.331) and long-term (F.332 and AF.332) securities other than shares.

Social security funds do not invest in securities other than shares, so the breakdown by counterpart sector is non-applicable.

Short-term (F.41 and AF.41) and long-term (F.42 and AF.42) loans.

Social security funds do not grant loans to non-financial corporations, ICPFs or households, so the breakdown by counterpart sector is non-applicable.

Shares and other equity (F.5 and AF.5)

Social Insurance Fund has some non-financial corporation shares. This information is obtained from the balance sheet of Social Insurance Fund.

LIABILITIES

Short-term (F.41 and AF.41) and long-term (F.42 and AF.42) loans.

Social security funds do not receive loans from ICPFs, so the breakdown by counterpart sector is non-applicable.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Information is available at the State Treasury.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Information on F.5 is available in the quarterly financial survey of NFC. Report from the Central Bank gives information on capital. Survey of insurance companies provides information on F.6.

3.7 Breaks in time series (former comparability over time)

There are no breaks in time series.

IV Current compilation methods

4.1 Stocks and flows

Transactions are based on stock information for all categories.

4.1.0 Information from stocks or flows ⁷⁴

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	n.a	FF	FF	FS	FF	FS	FS	FS	n.a	FF
	Stocks	SS	n.a	SS	SS	SS	SF	SS	SS	SS	n.a	SF
CG bodies	Transactions	FS	n.a	FF	FF	FS	FF	FS	FS	FS	n.a	FF
	Stocks	SS	n.a	SS	SS	SS	SF	SS	SS	SS	n.a	SF
State Government												
Transactions		n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Stocks		n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Local Government												
Transactions		FS	n.a	FF	FF	n.a	n.a	n.a	n.a	FS	n.a	n.a
Stocks		SS	n.a	SF	SS	n.a	n.a	n.a	n.a	SS	n.a	n.a
Social Security Funds												
Transactions		FS	n.a	n.a	FS	n.a	FS	n.a	n.a	FS	n.a	FS
Stocks		SS	n.a	n.a	SS	n.a	SS	n.a	n.a	SS	n.a	SS

Table 3.2 Final estimate

⁷⁴ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transaction s	FS	n.a	FF	FF	FS	FF	FS	FS	FS	n.a	FF
	Stocks	SS	n.a	SS	SS	SS	SF	SS	SS	SS	n.a	SF
CG bodies	Transaction s	FS	n.a	FF	FF	FS	FF	FS	FS	FS	n.a	FF
	Stocks	SS	n.a	SS	SS	SS	SF	SS	SS	SS	n.a	SF
State Government												
Transactions		n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Stocks		n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Local Government												
Transactions		FS	n.a	FF	FF	n.a	n.a	n.a	n.a	FS	n.a	n.a
Stocks		SS	n.a	SF	SS	n.a	n.a	n.a	n.a	SS	n.a	n.a
Social Security Funds												
Transactions		FS	n.a	n.a	FS	n.a	FS	n.a	n.a	FS	n.a	FS
Stocks		SS	n.a	n.a	SS	n.a	SS	n.a	n.a	SS	n.a	SS

4.1.1 Financial transactions

In some cases (F.2 and F.62) changes in stocks are used to estimate the transaction figures. For loans (F.4) and securities (F.3) transactions, other flows and stocks data have been harmonized from direct sources.

4.1.2 Ensuring consistency between stocks and flows

No integrated source data exists but yearly and quarterly financial accounts are based on complementary sources such as A1, F1, F3, B1, G1 and I3 for central government and F1, F3, D1, I3 and G1 for local government. Social security uses B1, C1, D1 and I3. In all these situations the data for transactions, other flows and stocks are fully consistent.

4.1.3 Revaluations

Information is available from the Ministry of Finance on revaluation of stocks and flows of loans and from the Central Bank on revaluation of deposits. Revaluation of shares is done by Statistics Lithuania from received information from State Stock exchange.

4.2 Other changes in the volume of assets

4.3 Valuation of financial instruments

Market valuation principle is not respected for AF.331 before 2004.

4.4 Accrual accounting and recording of interest

Accrual accounting does not cover the whole reporting period: quarterly data on liabilities F.331/AF.331 and F.332/AF.332 is available starting 2004Q1; on liabilities F.41/AF.41 and F.42/AF.42 is available starting 2005Q1.

Accrued interest is recorded under each financial instrument. For deposits (AF.2) (before 2004) and short-term loans (AF.41) liabilities of general government, accrued interests are apparently not included in the underlying instrument.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

For most information using annual source data (balance sheets of public establishments, data for local governments, counterpart information by sector for social security funds – except for sector S.1313) the linear interpolation method is used to compile quarterly data. No other methods are used to adjust source data.

4.5.2 Extrapolation methods

Not used.

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods⁷⁵

Consolidated data at the level of the GG sector means that the intra and inter flows and positions are eliminated. The State Treasury source of data contains the necessary information.

4.7 Conversions (euro, foreign currency)

All data are available in national currency.

4.8 Revisions policy or coherence between provisional and final statistics

Revisions are performed when split of annual data into quarters is available. Metadata on revisions have been regularly provided.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

In the data transmission to Eurostat, quarterly financial accounts data are generally comparable with quarterly non-financial accounts data with some exceptions on back data.

5.2 Coherence between quarterly and annual data

Data are systematically checked with ESA95 Tables 6 and 7. Eurostat has observed that quarterly and annual data fit most of the time. When differences are observed, they result mostly from vintages.

5.3 Comparability with government debt⁷⁶

QFAGG data are mainly consistent with Q-debt data.

⁷⁵ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

⁷⁶ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG will be main input for MUFA therefore full consistency of QFAGG and MUFA will be ensured.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		X			
between financial and non financial accounts					X
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP		X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks			X		
of growth rates of flows			X		
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)					X

6.3 Major events monitoring

Information on major events is provided on a regular basis, if there are significant events.

6.3.1 Large transactions

Large transactions are reported. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	Eurostat	Increase in the deposits due to issue of long-term bonds.	02Q02	1 444.84	2.78
				Increase in the deposits due to issue of long-term bonds.	03Q01	1 390.21	2.45
F.33	Long-Term	Liabilities	Eurostat	Issue of long-term bonds.	99Q04	1 086.90	2.49
				Issue of long-term bonds.	02Q02	1 460.81	2.81
				Issue of long-term bonds.	03Q01	1 563.15	2.75
				Issue of long term securities in foreign currency.	06Q04	2 194.13	2.68
F.5	-	Assets	Eurostat	The government sold shares of oil company "Mažeikių nafta".	06Q04	-2 243.09	2.74

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

OEF are reported. However, some OEF on back data are missing. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	Eurostat	The market price of the maritime transport company "Lietuvos jūrų laivininkystė" decreases from 3.61 to 0.51 Lt per share.	01Q02	-836.82	1.72
				The market price of oil company "Mazeikių nafta" increases from 1.38 to 3,35 Lt per share.	04Q01	1 015.73	1.62
				The market price of oil company "Mazeikių nafta" increases from 3.00 to 4.60 Lt per share. The market price of electricity company "Rytų skirstomieji tinklai" increases	04Q04	2 010.83	3.21

				from 1.75 to 2,68 Lt per share.			
				The market price of oil company "Mazeikiu nafta" increases from 9.54 to 12.79 Lt per share.	05Q03	1 371.14	1.93
				The market price of electricity company "Lietuvos energija" increases from 2.49 to 3.96 Lt per share.	06Q04	1 608.06	1.96

**Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).*

LUXEMBOURG

I Institutional arrangements

1.1 Compiling institutions

QFAGG are compiled by the national statistical office (STATEC), Unit C1 “National Accounts”, mainly on the basis of direct information provided by the State Treasury (Ministry of Finance), the Ministry of the Interior, the General Inspection of Social Security and direct data collection. The same unit within the NSI is in charge of compilation of both QFAGG and STPFS.

1.2 Publication policy

The data are not yet published. The complete dataset on QFAGG will be published as soon as AF.6 and AF.7 are integrated into the dataset. The data will be published on the Internet site: <http://www.statec.public.lu>.

Manual on sources and methods for compilation of QFAGG will be published along with the data. Publication of metadata is still under consideration.

1.3 Publication timeliness

Not applicable as data are not published.

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁷⁷

Table 1.1 Provisional estimate

⁷⁷ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	NO	NO	NO	NO	n.a.	n.a.	NO	NO	NO	n.a.	n.a.
	Stocks	ON	ON	ON	ON	n.a.	n.a.	ON	ON	ON	n.a.	n.a.
CG bodies	Transactions	NO	NO	NO	NO	n.a.	n.a.	NO	NO	NO	n.a.	n.a.
	Stocks	MO	NO	NO	NO	n.a.	n.a.	NO	NO	NO	n.a.	n.a.
Local Government												
Transactions		NO	0	NO	NO	n.a.	n.a.	0	NO	NO	n.a.	n.a.
Stocks		IN	0	ON	ON	n.a.	n.a.	0	NO		n.a.	n.a.
Social Security Funds												
Transactions		NO	NO	NO	NO	n.a.	n.a.	0	0	NO	n.a.	n.a.
Stocks		ON	ON	ON	ON	n.a.	n.a.	0	0	ON	n.a.	n.a.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	NO	NO	NO	NO	n.a.	n.a.	NO	NO	NO	n.a.	n.a.
	Stocks	ON	ON	ON	ON	n.a.	n.a.	ON	ON	ON	n.a.	n.a.
CG bodies	Transactions	NO	NO	NO	NO	n.a.	n.a.	NO	NO	NO	n.a.	n.a.
	Stocks	NO	NO	NO	NO	n.a.	n.a.	NO	NO	NO	n.a.	n.a.
Local Government												
Transactions		NO	0	NO	NO	n.a.	n.a.	0	NO	NO	n.a.	n.a.
Stocks		ON	0	ON	ON	n.a.	n.a.	0	ON	MNO	n.a.	n.a.
Social Security Funds												
Transactions		NO	NO	NO	NO	n.a.	n.a.	0	0	NO	n.a.	n.a.
Stocks		ON	ON	ON	ON	n.a.	n.a.	0	0	ON	n.a.	n.a.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	NO	NO	NO	NO
	Stocks	ON	ON	ON	ON
CG bodies	Transactions	NO	NO	NO	NO
	Stocks	ON	ON	ON	ON
Social Security Funds					
Transactions		NO	NO	NO	NO
Stocks		NO	ON	NO	ON

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	NO	NO	NO	NO
	Stocks	ON	ON	ON	ON
CG bodies	Transactions	NO	NO	NO	NO
	Stocks	ON	ON	ON	ON
Social Security Funds					
Transactions		NO	NO	NO	NO
Stocks		NO	ON	NO	ON

2.1 Direct sources

2.1.1 Central government

FINANCIAL ASSETS

AF.1 Monetary gold and Special Drawing Rights

- This item is equal to 0 (Source State Treasury – Ministry of Finance).

AF.2 Currency and deposits

- *Parliament, Government, Ministries and Administrations*: Quarterly data are available from the State Treasury (Trésorerie de l'État).
- *Public establishments*: annual balance sheet data are collected by STATEC, quarterly data are estimated.

AF.3 Securities other than shares

- *Parliament, Government, Ministries and Administrations*: Quarterly data (nominal and market value) are available from the State Treasury (Trésorerie de l'État).
- *Public establishments*: annual balance sheet data are collected by STATEC, quarterly data are estimated.

AF.4 Loans

- *Parliament, Government, Ministries and Administrations*: Quarterly data are available from the State Treasury (Trésorerie de l'État).
- *Public establishments*: annual balance sheet data are collected by STATEC, quarterly data are estimated.

AF.5 Shares and other equity

- *Parliament, Government, Ministries and Administrations*: Quarterly data on quoted and unquoted shares, as well as data on other equity are available from the State Treasury.
- *Public establishments*: Quarterly data on quoted and unquoted shares, as well as data on other equity are available from the State Treasury.
- STATEC disposes of a register of public participations (Central government, Public Establishments, local government and Social Security Funds) in companies containing all information on the number of shares, the relative part, the nominal value, the market value (if quoted) and the book value evaluated. This register is updated quarterly.

AF.6 Insurance technical reserves

- Not yet available.

AF.7 Other accounts receivable

- Under construction.

LIABILITIES

AF.2 Currency and deposits

- *Parliament, Government, Ministries and Administrations*: Quarterly data are available from the State Treasury (Trésorerie de l'État).
- *Public establishments*: This item is always equal to zero.

AF.3 Securities other than shares

- *Parliament, Government, Ministries and Administrations*: Quarterly data (nominal and market value) are available from the State Treasury (Trésorerie de l'État).
- *Public establishments*: annual balance sheet data are collected by STATEC, quarterly data are estimated.

AF.4 Loans

- *Parliament, Government, Ministries and Administrations*: Quarterly data are available from the State Treasury (Trésorerie de l'État).
- *Public establishments*: annual balance sheet data are collected by STATEC, quarterly data are estimated.

AF.5 Shares and other equity

- Zero by definition.

AF.6 Insurance technical reserves

- Not yet available.

AF.7 Other accounts payable

- Under construction.

2.1.2 State government

Not applicable for Luxembourg.

2.1.3 Local government

FINANCIAL ASSETS

AF.1 Monetary gold and Special Drawing rights

This item is equal to 0 (Source Ministry of the Interior).

AF.2 Currency and deposits

Annual data (31st December) are available from the Ministry of the Interior; quarterly data are available from banking statistics (Central Bank of Luxembourg).

AF.3 Securities other than shares

Annual data (31st December) are available from the Ministry of the Interior; in fact this item is equal to 0.

AF.4 Loans

Quarterly data on short-term loans to central government are provided by the State Treasury.

AF.5 Shares and other equity

Quarterly data on quoted and unquoted shares, as well as data on other equity are available from the Ministry of the Interior.

AF.6 Insurance technical reserves

Not yet available

AF.7 Other accounts receivable

Under construction.

LIABILITIES

AF.2 Currency and deposits

This item is always equal to zero

AF.3 Securities other than shares

Direct data coming from the Ministry of the Interior are annually available, quarterly data are estimated by interpolation.

AF.4 Loans

Direct data coming from the Ministry of the Interior are annually available, indirect data from banking statistics are available quarterly (Central Bank of Luxembourg).

AF.5 Shares and other equity

Zero by definition

AF.6 Insurance technical reserves

Not yet available.

AF.7 Other accounts receivable

Will be available in a near future.

2.1.4 Social security funds

FINANCIAL ASSETS

AF.1 Monetary gold and Special Drawing rights

This item is equal to 0 (Source General Inspection of Social Security).

AF.2 Currency and deposits

Direct quarterly data are available from the General Inspection of Social Security (Inspection Générale de la Sécurité Sociale IGSS).

AF.3 Securities other than shares

Social Security Funds: Direct quarterly data (nominal value) are available from the General Social Security Inspection (Inspection Générale de la Sécurité Sociale IGSS), data at market value are estimated by STATEC.

AF.4 Loans

Direct quarterly data are available from the General Social Security Inspection (Inspection Générale de la Sécurité Sociale IGSS). Furthermore, the breakdown of counterpart information by sector (except for sector S.1313) is only available on annual basis: quarterly data are estimated by interpolation.

AF.5 Shares and other equity

Social Security Funds: Quarterly data on quoted and unquoted shares, as well as data on other equity are available from the Social Security administrations.

AF.6 Insurance technical reserve

Not yet available.

AF.7 Other accounts receivable

Under construction.

LIABILITIES

AF.2 Currency and deposits

This item is always equal to zero.

AF.3 Securities other than shares

Direct quarterly data are available from the General Social Security Inspection (Inspection Générale de la Sécurité Sociale IGSS), always equal to zero.

AF.4 Loans

Direct quarterly data are available from the General Social Security Inspection (Inspection Générale de la Sécurité Sociale IGSS).

AF.5 Shares and other equity

Zero by definition.

AF.6 Insurance technical reserves

Not yet available.

AF.7 Other accounts receivable

Under construction.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

These are used for Local government (loans).

2.2.2 Balance of payments statistics

Not used.

2.2.3 Securities issues statistics

Not used.

2.2.4 Other financial intermediaries statistics

Not used.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

III Data coverage

3.1 Delimitation of general government (sector boundary)

General government (S.13) is composed of central government S.1311 (CG), local government S.1313 (LG) and social security funds S.1314 (SSF). State government S.1312 (SG) is not applicable for Luxembourg.

Central government (S.1311) includes legislature, ministries and monarchy, as well as 30 special funds. In addition, it comprises extra-budgetary units such as the National Solidarity Fund, the

Regional Development Fund for the Kirchberg Plateau and various non-market public establishments with financial autonomy.

Local government (S.1313) is composed of 118 municipalities (116 from 2006 onwards) and communal administrations, as well as various intercommunal associations

Social security funds (S.1314) is composed of 19 Social Protection Organisms.

3.2 Coverage of financial instruments

All financial instruments are covered, except for “Insurance technical reserves” (AF.6) and “Other accounts receivable/payable” (AF.7), still under construction.

3.3 Breakdown by original maturity

Information from our sources is detailed enough to operate the breakdown by original maturity between short (up to 1 year) and long (more than 1 year) term for the financial instruments “Securities other than shares” and “Loans”.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Data concerning financial assets and liabilities held by central government vis-à-vis other general government sub-sectors are directly obtained by the State Treasury.

3.4.2 State government

Not applicable.

3.4.3 Local government

Not applicable.

3.4.3 Local government

Counterpart information is not requested for local government in the regulation 501/2004.

3.4.4 Social security funds

Data concerning financial assets and liabilities held by social security funds vis-à-vis other general government sub-sectors are quarterly obtained by the social protection organisms.

Social security funds have no long-term liabilities.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

AF.A Financial assets

AF.3 Securities other than shares

Securities other than shares, excluding financial derivatives

Short-term

S.12 Resident Financial Sector

S.11 Non-Financial Corporations

Long-term

S.12 Resident Financial Sector

S.11 Non-Financial Corporations

AF.4 Loans

Short-term

S.12 Resident Financial Sector

S.11 Non-Financial Corporations

S.14/S.15 Households & NPISHs

Long-term

S.12 Resident Financial Sector

S.11 Non-Financial Corporations

S.14/S.15 Households & NPISHs

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

AF.A Financial assets

AF.3 Securities other than shares

Securities other than shares, excluding financial derivatives

Short-term

S.11 Non financial corporations

S.12 Financial corporations

o/w S.125 Insurance corporation and pension funds

S.13 General Government

S2 Rest of the world

Long-term

S.11 Non financial corporations

S.12 Financial corporations

o/w S.125 Insurance corporation and pension funds

S.13 General Government

S2 Rest of the world

AF.4 Loans

Short-term

S.11 Non financial corporations

S.12 Financial corporations

o/w S.125 Insurance corporation and pension funds

S.13 General Government

S.14/S.15 Households including non-profit institutions serving households

S2 Rest of the world

Long-term

S.11 Non financial corporations

S.12 Financial corporations

o/w S.125 Insurance corporation and pension funds

S.13 General Government

S.14/S.15 Households including non-profit institutions serving households

S2 Rest of the world

3.7 Breaks in time series (former comparability over time)

Due to the same basic data sources since 1990, no break in the time series can be reported.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ⁷⁸

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
CG bodies	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Local Government												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Social Security Funds												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS

Comments:

Table 3.2 Final estimate

	Assets	Liabilities
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⁷⁸ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
CG bodies	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Local Government												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Social Security Funds												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS

Comments: Transactions are based on stocks.

4.1.1 Financial transactions

In general, financial transactions are compiled based on changes in financial balance sheets.

For transactions in shares, direct information is available.

4.1.2 Ensuring consistency between stocks and flows

No integrated source data system exists but annual balance sheet data are collected and quarterly data are estimated by STATEC for most of the instruments. See 2.1.

Flows are equal to changes in balance sheet items taking explicitly into account the other changes in volume and revaluation effects when identified.

4.1.3 Revaluations

Revaluations are based on individual instruments. Stocks of “Securities other than shares” are recorded at nominal value and at market value.

4.2 Other changes in the volume of assets

Flows are equal to changes in balance sheet items taking explicitly into account the other changes in volume and revaluation effects when identified.

4.3 Valuation of financial instruments

AF.3, securities other than shares are evaluated by the State Treasury.

AF.511, the market valuation principle is used for quoted shares.

For AF.512 (unquoted shares), the book value is used for unquoted shares.

4.4 Accrual accounting and recording of interest

Accruals principle is respected in general.

Accrued interests are recorded within the concerned financial instrument by the State Treasury.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

For most quarterly data a linear interpolation method is used.

4.5.2 Extrapolation methods

Quarterly data are kept constant over the following 3 quarters.

4.5.3 Other methods - adjustment of source data for compilation

None

4.6 Consolidation methods⁷⁹

The consolidation methods applied in the compilation of QFAGG are in conformity with ESA95. First, "intra-sector" transactions and positions are eliminated at the level each sub-sector and only in a

⁷⁹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

second phase, the “inter sub-sectors” transactions and positions between the 3 sub-sectors are eliminated at the level of consolidated general government.

4.7 Conversions (euro, foreign currency)

Conversion of the former debt of the National Railway Society (CFL) from Swiss francs to euro. Government equity held in some international financial institutions is expressed in US Dollars and is therefore converted into euro using daily exchange rates.

4.8 Revisions policy or coherence between provisional and final statistics

Revisions are regularly reported as metadata. Quarterly financial accounts are compiled with a time lag of $t + 3$ months. Major and minor revisions are included in each quarterly update.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

No coherence has been checked so far – methods for balancing quarterly data in both financial and non-financial accounts are being developed.

Net financial transactions (QFAGG) could not be calculated because some instruments were missing. The comparison between non-financial and financial accounts was not possible.

5.2 Coherence between quarterly and annual data

Coherence between quarterly and annual data is ensured.

5.3 Comparability with government debt⁸⁰

QFAGG data are mainly consistent with Q-debt data.

⁸⁰ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG is used for compilation of MUFA. Consistency is ensured.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		X			
between financial and non financial accounts					X
between quarterly and annual accounts with table 6 & 7 of ESA 95					X
between quarterly and annual accounts with table 3 of EDP		X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks					X
between flows and stocks					X
of growth rates of stocks					X
of growth rates of flows					X
of counterpart data in the QFAGG dataset					X
of the yield on assets and liabilities (property income / stocks)					X

Cases where stocks are derived by flows, or the reverse: none.

6.3 Major events monitoring

Information on major events is reported occasionally. Similarly, OEF are not routinely monitored and reported only on request of Eurostat.

6.3.1 Large transactions

Around two-thirds of the observed large movements in transactions are undocumented. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	Eurostat		00Q04	628.00	2.85
					01Q01	-560.00	2.48
F.33	Long-Term	Assets	Eurostat	This transaction is connected to the appearance of the bonds portfolio of the "Banque et Caisse d'Epargne de l'Etat" in 2001.	01Q01	635.00	2.81

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

OEF are not routinely monitored and reported. Very few undocumented large OEF movements are observed. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	Eurostat	This operation constitutes the F511 generated by the fusion between SES SA and GE Americom	01Q04	401.00	1.78

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

HUNGARY

I Institutional arrangements

1.1 Compiling institutions

The Magyar Nemzeti Bank's (The Central Bank of Hungary) Statistical Department is the institution in Hungary responsible for the compilation of QFAGG in the framework of its financial accounts statistics.

1.2 Publication policy

The data are published in the framework of the Hungarian financial accounts including all economic sectors in a different format from that requested by Eurostat. However, all data included in the tables are published and can be found on the website of the NCB (<http://www.mnb.hu>).

The following tables are published (with the main internet addresses):

1. Comprehensive figures by sectors (on the relevant quarter and year)

http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=gyorsof_en

2. Comprehensive quarterly tables (stocks and transactions, consolidated/non-consolidated)

http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=psznegyedlnk_en

http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=psznegyedtrnk_en

3. Time-series on detailed financial accounts by sectors (stocks, transactions, revaluations, consolidated/non-consolidated)

http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=pszisaln_k_en

http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=pszistrnk_en

http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=pszisatnk_en

4. Detailed figures of general government quarterly financial accounts

http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=ahtszla_en

Information release and methodological notes are available as well.

1.3 Publication timeliness

Preliminary quarterly financial accounts are published with a one and half month time lag. Half finalized data are available with a three months time lag.

II Statistical sources

The most important factor concerning Hungarian financial accounts for government sector is that the data are not compiled as a separate statistics dataset but as part of a unified and complete system of financial accounts for all sectors of the economy. As a consequence of this, it must also be emphasized that the sources of financial accounts for the government sector are mainly not governmental sources but sources that are used for the compilation of the whole of financial accounts. Nevertheless when compiling financial accounts for general government the most complete data source is always used.

The source of data for sub-sectors of general government is identical in the majority of the cases. Specific details are presented below only where the different sources make this necessary.

The following are the main data **sources** of general government with details on frequency and timeliness:

1. Monthly balance sheets of central bank and other monetary financial institutions – monetary statistics with a time lag of t+20 days
2. Quarterly securities holding statistics with a time lag of t+45 days
3. Balance of payments (and international investment position) statistics for non-residents sector data with a time lag of t+45/t+80 days
4. Quarterly balance sheets of general government units t+45 days
5. Monthly and daily cash-flow statements from treasury on revenues and expenditures of sub-sectors
6. Quarterly balance sheets and monthly cash-flow statements from Hungarian Privatization and State Holding Company
7. Monthly data on composition of debt and accrued interest from State Debt Management Office with a time lag of t+30 days
8. Balance sheet data of other units classified into general government sector with a time lag of t+30 days
9. Quarterly balance sheet data on insurance corporations (t+30), other financial intermediaries (t+60) and on pension funds (t+65)
10. Annex of the corporation's tax declaration from the State Tax Authority on yearly basis with a time lag of t+270 days.

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁸¹

Table 1.2 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MNO	S	MO	S/MO	NO	MO	ON	S	NO	n.a.	MO
	Stocks	MNO	S	MO	S/NO	NO	MO	ON	S	NO	n.a.	MO
CG bodies	Transactions	MNO	S	MO	S/MO	NO	MO	n.a.	S	NO	n.a.	MO
	Stocks	MNO	S	MO	S/NO	NO	MO	n.a.	S	NO	n.a.	MO
State Government												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		MNO	S	MO	S/MO	NO	MO	n.a.	S	NO	n.a.	MO
Stocks		MNO	S	MO	S/NO	NO	MO	n.a.	S	NO	n.a.	MO
Social Security Funds												
Transactions		MNO	S	MO	S/MO	NO	MO	n.a.	S	NO	n.a.	MO
Stocks		MNO	S	MO	S/NO	NO	MO	n.a.	S	NO	n.a.	MO

Table 1.2 Final estimate

Same as table 1.1.

⁸¹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

2.0.2- Statistics with counterpart information

All data sources used for financial accounts purposes contain more or less detailed counterpart information. Missing counterpart breakdown is always estimated because no instruments without proper counterpart sector information can be loaded into the compilation system.

2.1 Direct sources

Transactions in shares and other equity are derived mostly from direct (government) sources. Loans granted to non-financial partner (households, non-financial corporations) and to other government units (inside general government sector) come from government data sources as well. The data sources for other accounts receivable/payable are mostly the reports of government units.

2.1.1 Central government

Most important direct sources are the quarterly balance-sheets of the budgetary institutions and the corporations classified into the government sector, the cash-flow reports of the Treasury, the report of the Debt Management Agency and the State Privatisation Agency.

2.1.2 State government

Not applicable for Hungary.

2.1.3 Local government

Most important direct sources are the quarterly balance-sheets and cash-flow statements of the budgetary institutions included in this sub-sector.

2.1.4 Social security funds

Most important direct sources are the quarterly balance-sheets and cash-flow statements of the budgetary institutions included in this sub-sector.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Regarding money and banking statistics, the inputs of the statistics are used for financial accounts purposes. These inputs are very detailed balance sheets and supplementary information fulfilling the requirements of financial accounts compilation as well. These are primary sources for counterpart sectors (general government) as well.

2.2.2 Balance of payments statistics

The balance of payments (and IIP) statistics is used for all general government connections with the rest of the world. Internal products of the statistics form inputs of the financial accounts, with detailed sector and instrument breakdown, for stocks and flows as well.

2.2.3 Securities issues statistics

Securities holdings statistics of the Central Bank is used for financial accounts purposes. The internal products of the statistics contain all securities held in custody, broken down by issuer and holder sectors, denomination, type of securities, etc. Stocks are valued at nominal value and at market value as well. Components of flows are calculated on paper-by-paper basis.

2.2.4 Other financial intermediaries statistics

Detailed statistical/supervisional balance sheets of financial corporations, security dealers, mutual funds, insurance corporations and pension funds are used in financial accounts statistics.

2.2.5 Non-financial corporations balance sheets

The annex of corporate tax declarations contains the balance sheet and the profit and loss account of all resident corporations which are available for statistical purposes on individual basis as well. The registered capital of corporations is broken down by holder (owner) sectors, so the holdings of government subsectors in different corporations can be measured (year-end stocks). The quarterly figures are estimated. Holdings of non-quoted shares and other equity are derived from this data-source.

2.3 Other financial data

III Data coverage

3.1 Delimitation of general government (sector boundary)

Coverage is full for institutional units. Corporations and non profit organizations classified into the general government by the government statistics expert group are included.

3.2 Coverage of financial instruments

Coverage is full for instruments.

3.3 Breakdown by original maturity

Proper delimitation of maturity categories.

3.4 Counterpart information for the sub-sectors

All figures are available in counterpart sector breakdown.

3.4.1 Central government

All figures are available in counterpart sector breakdown.

3.4.2 State government

Not applicable.

3.4.3 Local government

All figures are available in counterpart sector breakdown.

3.4.4 Social security funds

All figures are available in counterpart sector breakdown.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

All figures are recorded in a full partner sector breakdown. Consolidation means the elimination of intra-sectoral items from the aggregates.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

All figures are recorded in a full partner sector breakdown.

3.7 Breaks in time series (former comparability over time)

Breaks in time series do not exist at the level of national accounts instruments. Statisticians try to eliminate breaks at lower breakdown levels by creating totally homogeneous time series. This work is performed at the lowest possible breakdown level.

IV Current compilation methods

4.1 Stocks and flows

Stocks and flows (transactions, revaluations and other changes in volume) are available for all budgetary government units (from statistical balance sheets), but not used in most cases. In general transactions are estimated from stocks as residual items.

4.1.0 Information from stocks or flows ⁸²

In general: information on stocks and flows is not collected in parallels. In case of many types of other receivables/payables only flow (cash-flow) figures are at hand, stocks are cumulated from flows (for instance with time adjustment). Quarterly estimation on non-quoted shares and other equity is based on transactions as well. In other cases stocks are reported and transactions are calculated.

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS/FF	FF	FS	FF/FS	FS	FS	FS	n.a.	FF/FS
	Stocks	SS	SS	SS	SS	SS	SS/SF	SS	SS	SS	n.a.	SS/SF
CG bodies	Transactions	FS	FS	FS	FF	FS	FF/FS	n.a.	FS	FS	n.a.	FF/FS
	Stocks	SS	SS	SS	SS	SS	SS/SF	n.a.	SS	SS	n.a.	SS/SF
State Government												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		FS	FS	FS/FF	FF	FS	FF/FS	n.a.	FS	FS	n.a.	FF/FS
Stocks		SS	SS	SS	SS	SS	SS/SF	n.a.	SS	SS	n.a.	SS/SF
Social Security Funds												
Transactions		FS	FS	FS/FF	FF	FS	FF/FS	n.a.	FS	FS	n.a.	FF/FS
Stocks		SS	SS	SS	SS	SS	SS/SF	n.a.	SS	SS	n.a.	SS/SF

⁸² Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Table 3.2 Final estimate

Provisional and final estimates are based on the same sources.

4.1.1 Financial transactions

In most cases financial transactions are calculated on residual basis. For the instruments F.34, F.5 and partially for F.4 and F.7 transactions are directly measured.

4.1.2 Ensuring consistency between stocks and flows

Consistency is reached by the calculation of one component on residual basis.

4.1.3 Revaluations

Revaluations appear by instruments denominated in foreign currency, by different types of securities and in exceptional cases by loans. Revaluations are mainly calculated using currency breakdown of outstanding amounts or market prices of instruments.

4.2 Other changes in the volume of assets

Used in case of reclassification of units or instruments (quoted-unquoted shares for instance).

4.3 Valuation of financial instruments

Market valuation principle is respected for securities and quoted shares only. Loans are valued at nominal value, including accrued interest. Unquoted shares and equity are valued at adjusted book value taken from the balance-sheet of the issuers.

4.4 Accrual accounting and recording of interest

Wages, taxes, social contributions, transfers, trade credits and advances are recorded on accrual basis. Trade credits and advances are reported, other items are mainly calculated. Full accrual accounting is used for interest. The debtor approach is used. Accrued but not paid interests are included in the corresponding instrument-categories.

4.5 Interpolation, extrapolation, and other estimation methods

Only stocks for unquoted shares and equities are estimated using flows on quarterly basis (interpolation) and in the last year (extrapolation).

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods⁸³

All figures are recorded in a full partner sector breakdown. Consolidation = elimination of intra-group items.

4.7 Conversions (euro, foreign currency)

Stocks in foreign currency: exchanged using end-quarter exchange rates.

Flows: estimated monthly revaluation/direct transaction, daily conversion.

4.8 Revisions policy or coherence between provisional and final statistics

Time series are revised on a quarterly basis.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Discrepancies between quarterly financial and non-financial accounts data are under control.

In the case of non-financial accounts the quarterly and annual data sources are different. The quarterly input data are less reliable and less detailed than the annual ones. The discrepancy between the annual and quarterly accounts is also quite significant. The government statistics expert group already started to harmonize the sources and methods used for quarterly government accounts.

5.2 Coherence between quarterly and annual data

Quarterly and annual data generally align because they are generated from the same statistical system. Only the different timing of data transmission can result in different figures.

⁸³ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

5.3 Comparability with government debt⁸⁴

QFAGG data are derived from the same system as the annual and quarterly financial accounts. In principle no discrepancies can exist. Market valuation, accrued interest and financial derivatives can cause differences between the figures of the two statistics. Treasury accounts of government institutions are normally not interest bearing instruments. (Accrued interest is not recorded.)

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

MUFA data are derived from the same system as the annual and quarterly financial accounts. In principle no discrepancies can exist.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Consistency checks inside financial accounts (quarterly, annual) and related statistics (quarterly and annual debt, EDP Table 3) are included in the compilation system (IT system) of the financial accounts. Comparison with the non-financial accounts is carried out manually, on quarterly basis.

6.2 Plausibility checks

Plausibility checks are made in comparison with budgetary figures (official cash-flow figures). Financial accounts are compiled in a closed system including all economic sectors. Plausibility checks of other sectors (households, corporations, rest of the world) influence the quality of government accounts as well.

6.3 Major events monitoring

Metadata on major events have not been reported regularly.

6.3.1 Large transactions

Some undocumented large movements in transactions are observed. The largest are the following:

⁸⁴ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	Eurostat		99Q02	412 775.00	3.62
					03Q01	722 208.00	3.81
					03Q03	508 478.00	2.68
					04Q03	539 162.00	2.60
					05Q01	755 602.00	3.43
					06Q01	783 957.00	3.30
					07Q01	683 328.00	2.65
F.4	Long-Term	Liabilities	Eurostat		99Q02	-309. 357.00	2.72

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

OEF are not monitored and not reported. Numerous undocumented large OEF movements are observed. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.34	-	Liabilities	Eurostat		99Q01	192 451.00	1.69

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

MALTA

I Institutional arrangements

1.1 Compiling institutions

Responsibility for the compilation of quarterly financial accounts for the general government sector (S.13) rests with the National Statistics Office (NSO). The Central Bank of Malta (CBM) assists primarily through the provision of counterpart data resulting from the schedules received from the financial institutions and other financial market information. The Departmental Accounting System (DAS) is the primary source for data covering the budgetary central government sub-sector. (The DAS is managed by the Treasury Department).

The same unit within the NSO is in charge of compiling both QFAGG and STPFS. The compilers keep close co-operation.

1.2 Publication policy

Not yet published. Publication will be done in the very near future.

1.3 Publication timeliness

Not yet published.

II Statistical sources

2.0 Source Data

Direct information is the only or main source of information for most categories.

2.0.1 - Statistics without counterpart sector information⁸⁵

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON	0	IN	0	IN	ON	0	IN
	Stocks	ON	ON	ON	ON	0	IN	0	IN	ON	0	IN
CG bodies	Transactions	ON	ON	ON	ON	0	ON	0	ON	ON	0	ON
	Stocks	ON	ON	ON	ON	0	ON	0	ON	ON	0	ON
Local Government												
Transactions		NO	NO	NO	NO	0	NO	0	NO	NO	0	NO
Stocks		NO	NO	NO	NO	0	NO	0	NO	NO	0	NO
Social Security Funds												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Comments:

0 – means that is a zero (nil) value for Malta

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON	0	IN	0	IN	ON	0	IN
	Stocks	ON	ON	ON	ON	0	IN	0	IN	ON	0	IN
CG bodies	Transactions	ON	ON	ON	ON	0	ON	0	ON	ON	0	ON
	Stocks	ON	ON	ON	ON	0	ON	0	ON	ON	0	ON

⁸⁵ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Local Government											
Transactions	NO	NO	NO	NO	0	NO	0	NO	NO	0	NO
Stocks	NO	NO	NO	NO	0	NO	0	NO	NO	0	NO
Social Security Funds											
Transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Comments: 0 – means that is a zero (nil) value for Malta

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
CG bodies	Transactions	IN	IN	IN	IN
	Stocks	IN	IN	IN	IN
Social Security Funds					
Transactions		n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	ON	ON	ON	ON
	Stocks	ON	ON	ON	ON
CG bodies	Transactions	IN	IN	IN	IN
	Stocks	IN	IN	IN	IN

Social Security Funds				
Transactions	n.a.	n.a.	n.a.	n.a.
Stocks	n.a.	n.a.	n.a.	n.a.

2.1 Direct sources

2.1.1 Central government

Central government is sub-divided into Budgetary Central Government and Extra Budgetary Units (EBUs).

The Budgetary Central Government is made up of the Government Departments and Ministries, whose accounts are recorded within the DAS. Our Office has direct on-line (read-only) access to this system wherein all transactions have been coded to provide aggregates in ESA 95 codes.

Since 2004, EBUs have been required to fill in a (quarterly) questionnaire which includes financial as well as non-financial data.

2.1.2 State government

Not applicable.

2.1.3 Local government

Local government is made up of 68 local councils. During 2008 a reporting template to be returned by all the local councils is being introduced. This will contain quarterly financial and non-financial data. Until such time as these reporting templates come on stream, NSO is basing quarterly compilations of this data on estimations. (Local Government is a comparatively small sub-sector for Malta and according to the EDP submission of September 2007, in 2006 this sub-sector accounted for 1% of General Government debt and for 0.3% of General Government Deficit).

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

The schedules received by the CBM from the monetary financial institutions including the central bank's own balance sheet are used in order to arrive at the counterpart information.

2.2.2 Balance of payments statistics

This source is not used.

2.2.3 Securities issues statistics

We have two main sources of data on the securities: from the Central Bank of Malta and from the Treasury department. Regular meetings with providers of both sources are held in order to ensure that the best data source for specific instruments is always used.

2.2.4 Other financial intermediaries statistics

This information is provided by the Central Bank of Malta. Stock market information is used for long-term securities of central government (security by security).

2.2.5 Non-financial corporations balance sheets

The balance sheets of this sector are not used in our compilation.

2.3 Other financial data

If relevant and necessary, the Central Bank of Malta provides data on the other financial intermediaries and other financial market information.

III Data coverage

3.1 Delimitation of general government (sector boundary)

An operational Working Group made up of officers from the NSO, CBM, the Budget Office and the Treasury draws up a template with the main criteria for sector classification in respect of each institutional unit receiving funds from Government. Although the most important criteria is the 50% rule, other criteria are considered, such as autonomy of decision, ownership, pricing structures, etc. Borderline cases are discussed in great detail. If necessary, such cases are also cleared with Eurostat.

3.2 Coverage of financial instruments

For the Budgetary Central Government, this data is either extracted from the DAS or from the information available from the Central Bank. Accruals data (on a quarterly basis) for the Budgetary Central Government is made available on line from a template maintained by the Treasury Department. As far as the EBU's are concerned, data on the various instrument categories are essentially captured from quarterly questionnaires sent out to the respective EBU's.

3.3 Breakdown by original maturity

The original maturity of the various instruments is taken from the respective instrument's register.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

The main counterpart information in this case is provided by the Central Bank of Malta. The only sources of data for the EBU's are the quarterly questionnaires (which specifically request counterpart information) and, where available, management accounts.

3.4.2 State government

Not applicable.

3.4.3 Local government

As explained under 2.1.3 above the relative importance of Local Councils is minimal. For the time being, and until the updated reports are introduced, the quarterly estimations for this sub-sector are based on the annual audited financial statements for the individual Councils.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

When transactions between sub-sectors in the general government sector are recorded, the figures are checked, and are therefore eliminated during the consolidation process.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Transactions of all types of instruments between budgetary central government and other sectors are available to us from the DAS. As far as the EBU's are concerned, one can identify transactions from their quarterly returns. The main source of transactions in respect of local councils is their annual audited financial statement, on which quarterly estimations are based.

3.7 Breaks in time series (former comparability over time)

This is not applicable. We have no breaks in the time series.

IV Current compilation methods

4.1 Stocks and flows

Transactions are based on stock information for all categories.

4.1.0 Information from stocks or flows ⁸⁶

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS	FS	n.a.	FS	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS	SS	SS	SS	n.a.	SS
CG bodies	Transactions	FS	FS	FS	FS	n.a.	FS	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS	SS	SS	SS	n.a.	SS
Local Government												
Transactions		FS	FS	FS	FS	n.a.	FS	FS	FS	FS	n.a.	FS
Stocks		SS	SS	SS	SS	n.a.	SS	SS	SS	SS	n.a.	SS
Social Security Funds												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7

⁸⁶ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Central Government (CG)												
"The State"	Transactions	FS	FS	FS	FS	n.a.	FS	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS	SS	SS	SS	n.a.	SS
CG bodies	Transactions	FS	FS	FS	FS	n.a.	FS	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS	SS	SS	SS	n.a.	SS
Local Government												
Transactions		FS	FS	FS	FS	n.a.	FS	FS	FS	FS	n.a.	FS
Stocks		SS	SS	SS	SS	n.a.	SS	SS	SS	SS	n.a.	SS
Social Security Funds												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

4.1.1 Financial transactions

A. Budgetary Central Government

Both the transactions as well as the stocks for this sub-sector of general government is extracted from the DAS. An agreement on a standard balance sheet template was developed by the Central Bank, the NSO as well as by the treasury department, in order for the latter to provide the necessary data needed for each instrument.

B. Extra Budgetary Units

The quarterly questionnaire requires all institutional units classified within the General Government sector to submit stock positions of financial instruments at the end of each quarter. This figure is then taken to be the opening position of the next quarter. The change between the opening and the closing positions for each quarter is considered as the transaction for the period. Where necessary, OEFs are discussed with the respective entities.

C. Local Councils

For the time being we base our estimates on the annual audited financial reports. As mentioned earlier, in the near future, we will be receiving quarterly financial data of Local Councils in a specific format which will allow us to compile the necessary data.

4.1.2 Ensuring consistency between stocks and flows

A. Budgetary Central Government

Since flows and stocks are taken from the same data source a high degree of consistency is expected between stock positions and the resulting flows at end of the respective period.

B. Extra Budgetary Units

Since the flow is taken as the difference between the opening and the closing positions for each individual entity, by definition there is complete consistency between stocks and flows.

C. Local Councils

The local councils share of the total general government sector is very insignificant (refer 2.1.3 above). We cannot as yet comment on ensuring consistency between stocks and flows, since the data is very limited for quarterly accounts.

4.1.3 Revaluations

A: Budgetary Central Government

In Malta's case, the 3 instruments that always have revaluations are the securities and the loans on the liabilities side, as well as the shares and other equity on the assets side. Quarterly data on these is made available to NSO by the Treasury Department.

B: EBU's

In this sub-sector's case, the long-term securities (assets) have revaluations. This data is provided by each respective entity.

C: Local councils

This sub-sector has an insignificant amount of long-term securities (assets), thus resulting in minimal revaluation recordings.

4.2 Other changes in the volume of assets

These flows are usually discussed upon with the units involved, before recordings of data takes place.

Quarterly data on these so far has not been a problem. Usually just the budgetary central government and the EBU's record other changes in volume.

4.3 Valuation of financial instruments

As regards budgetary central government, all the securities as well as quoted shares are recorded according to their respective end of period market values. Unquoted shares are recorded at book value. The insignificant amounts of securities other than shares held by the local councils are recorded at market value.

4.4 Accrual accounting and recording of interest

As far as possible, the accruals principle is followed across the general government sector. This is also done for the calculation of the non-financial accounts in order to arrive at the correct B.9 position which is reported in the EDP tables.

A. Budgetary Central Government

The Accruals Template maintained by the Treasury Department provides quarterly accruals data for this sub-sector.

B. Extra Budgetary Units

Specific information is requested on accruals data in the quarterly questionnaires. Moreover, the accruals information here is provided by counterpart data.

C. Local Councils

Estimates based on annual data is done.

4.5 Interpolation, extrapolation, and other estimation methods.

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

For the time being, estimation of the Local Councils quarterly financial accounts is done by using the opening and closing annual figures related to each component. The method of calculation is obtained by dividing the opening annual figure with the opening figure of the first quarter and thereby establishing a factor. Same procedure follows for the same period the following year, in order to obtain the second factor. Thereafter the mean of the two factors is obtained, and this is then used to obtain the annualised estimated figure for each quarter.

4.6 Consolidation methods⁸⁷

As explained earlier financial data are consolidated within the general government sector. Since micro data is available at first hand, it is possible to achieve an accurate consolidated figure.

⁸⁷ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.7 Conversions (euro, foreign currency)

For the compilation of the financial accounts, the local currency equivalents as stated in the respective financial reports are taken into account. Therefore the NSO does not carry out any currency conversion. From 1st January 2008, all the financial accounts transmitted to Eurostat will be converted to the Euro, using the fixed rate of 1€ = 0.4293Lm.

4.8 Revisions policy or coherence between provisional and final statistics

As far as Budgetary Central Government is concerned, reliance is made on the statements provided by the Departmental Accounting System. This can be considered as semi-final data, and is subsequently updated when compiling subsequent quarters. In the case of EBU, quarterly questionnaires are used. These questionnaires are considered as provisional until the sum of the 4 quarters can be validated through the annual audited accounts. The financial statements normally have final information, but until such statements are available, we rely on questionnaires which are normally considered as semi-final.

V Coherence and comparability

It is the policy of our Office to continuously compare the B.9 positions from both the financial as well as non-financial accounts. In future, the reconciliation process between the two approaches will continue to be closely monitored in order to achieve as high a level of consistency as possible.

5.1 Coherence between financial and non-financial accounts

Complete consistency is still difficult to achieve, especially with regards to the central government sub-sector, however we constantly monitor the discrepancies, and focus on minimising them as much as possible.

5.2 Coherence between quarterly and annual data

Since the quarterly and the annual data are both compiled by the same Unit, this helps to ensure consistency between quarterly and annual data. This consistency will need to be assessed at a later date when the financial accounts covering more quarters are eventually compiled.

5.3 Comparability with government debt⁸⁸

QFAGG data and quarterly debt data are consistent.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG will be used as an input to the MUFA compilation process therefore consistency should be ensured and only timeliness could differ.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types \ Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks	X			
between flows and stocks	X			

⁸⁸ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

of growth rates of stocks			X	
of growth rates of flows			X	
of counterpart data in the QFAGG dataset	X			
of the yield on assets and liabilities (property income / stocks)			X	

6.3 Major events monitoring

Major events are now being recorded and reported accordingly. This recording has been done in respect of 2007 Q1 and Q2.

NETHERLANDS

I Institutional arrangements

Statistics Netherlands (CBS) is fully responsible for the compilation of QFAGG. The same unit within the institution (NSI) is in charge of compilation of both Quarterly financial accounts and quarterly non-financial accounts of general government.

1.1 Publication policy

Quarterly data on financial and non-financial accounts of general government and all its subsectors can be found in the CBS publication database on internet (Statline). In addition, also quarterly data on the Dutch State (ministries) are published.

Supporting comments in order to improve clarity and methodological notes are made available on internet alongside with the QFAGG data published.

Regarding detail in instruments (A)F.21, (A)F.29, (A)F.331, (A)F.332, (A)F.34, (A)F.41, (A)F.42, (A)F.5 and (A)F.7 are published, both assets and liabilities. For the State, no breakdown of (A)F.2 is shown.

It concerns the following tables on Statline:

1. For all subsectors: Kwartaalsectorrekeningen; financiële rekening (in Dutch);
2. For the State: Rijk; financiële positie conform ESR 95 transacties (in Dutch); Rijk;

Internet addresses:

<http://statline.cbs.nl/StatWeb/table.asp?STB=G1&LA=nl&DM=SLNL&PA=70698ned&D1=a&D2=a&HDR=T&TT=2>

<http://statline.cbs.nl/StatWeb/table.asp?STB=G1&LA=nl&DM=SLNL&PA=70063ned&D1=a&D2=a&HDR=T&TT=2>

1.2 Publication timeliness

The data are usually published 90 to 95 days after the end of the quarter.

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁸⁹

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON	n.a.	MNO	ON	ON	ON	n.a.	MNO
	Stocks	ON	ON	ON	MO	n.a.	MNO	ON	ON	ON	n.a.	MO
CG bodies	Transactions	MNO	MNO	ON	MNO	n.a.	MNO	n.a.	ON	ON	n.a.	MNO
	Stocks	MNO	MNO	ON	MNO	n.a.	MNO	n.a.	ON	ON	n.a.	MNO
State Government												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		ON	ON	ON	ON	n.a.	IN	n.a.	NO	ON	n.a.	IN
Stocks		ON	ON	ON	ON	n.a.	IN	n.a.	NO	ON	n.a.	IN
Social Security Funds												
Transactions		NO	NO	ON	NO	n.a.	MNO	n.a.	n.a.	ON	n.a.	MNO
Stocks		NO	NO	ON	NO	n.a.	MNO	n.a.	n.a.	ON	n.a.	MNO

⁸⁹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Comments: if the amount of a cell is made up of more than 75% direct sources, the code MO is used. If it is between 50% and 75%, the code IN is used. Provisional estimates in this table concern the estimates after T + 3 months.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON	n.a.	MNO	ON	ON	ON	n.a.	MNO
	Stocks	ON	ON	ON	MO	n.a.	MNO	ON	ON	ON	n.a.	MO
CG bodies	Transactions	MNO	MNO	ON	MNO	n.a.	MNO	n.a.	ON	ON	n.a.	MNO
	Stocks	MNO	MNO	ON	MNO	n.a.	MNO	n.a.	ON	ON	n.a.	MNO
State Government												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		ON	ON	ON	ON	n.a.	IN	n.a.	NO	ON	n.a.	IN
Stocks		ON	ON	ON	ON	n.a.	IN	n.a.	NO	ON	n.a.	IN
Social Security Funds												
Transactions		NO	NO	ON	NO	n.a.	MNO	n.a.	n.a.	ON	n.a.	MNO
Stocks		NO	NO	ON	NO	n.a.	MNO	n.a.	n.a.	ON	n.a.	MNO

Comments: If the amount of a cell is made up of more than 75% direct sources, the code MO is used. If it is between 50% and 75%, the code IN is used. This table doesn't differ with respect to the table for the provisional estimates since no new direct quarterly sources become available. Of course, new direct annual sources become available, yielding adjustments of the quarterly figures.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	n.a.	ON	ON	ON
	Stocks	n.a.	ON	ON	ON
CG bodies	Transactions	n.a.	IN	IN	IN

	Stocks	n.a.	IN	IN	IN
Social Security Funds					
	Transactions	IN	NO	NO	NO
	Stocks	IN	NO	NO	NO

Comments: In the above table, counterpart information from direct and indirect sources was taken into account.

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	n.a.	ON	ON	ON
	Stocks	n.a.	ON	ON	ON
CG bodies	Transactions	n.a.	IN	IN	IN
	Stocks	n.a.	IN	IN	IN
Social Security Funds					
	Transactions	IN	NO	NO	NO
	Stocks	IN	NO	NO	NO

Comments: In the above table, counterpart information from direct and indirect sources was taken into account. This table doesn't differ with respect to the table for the provisional estimates since no new direct quarterly sources become available. Of course, new direct annual sources become available, yielding adjustments of the quarterly figures.

2.1 Direct sources

Direct information is used for:

- All categories of the State, except payables/receivables;
- All categories of local government, except security liabilities;
- For debt and loan assets of other central government bodies;
- For loans of social security funds;

Direct information is only partially available for payables/receivables of the State and for most transactions of other central government bodies. It is not available for most categories of social security funds and security liabilities of local government.

For parts of general government where no quarterly data are available such as universities, schools and most non-profit institutions, annual data are used. Since these data are only used implicitly (see Section 4.5, Interpolation, extrapolation, and other estimation methods) reference is made to the description of the annual compilation system in the EDP inventory.

2.1.1 Central government

The State is the largest part of the central government subsector: about 90% of the balance sheet total of central government. For the State, the Ministry of Finance provides an almost full set of ESA95-compliant data on a quarterly basis, with a timeliness of six weeks.

The only cases where no data are provided are:

- a) liabilities of (A)F.21, currency issued by the Dutch State (see below for other source);
- b) liabilities of (A)F.332, Dutch state loans, for which only nominal values are provided;
- c) assets of (A)F.7.

For the case of liabilities of (A)F.7, only direct information on interest accrued on (A)F.331, (A)F.332 and (A)F.42 is available.

The current data set is available from first quarter of 2002, previously a more restricted data set was available.

The Dutch investment bank for developing countries NIO (Nederlandsche Investeringsbank voor Ontwikkelingslanden), part of central government, provides quarterly balance sheet data, with a timeliness of one month, covering all relevant instruments for this institution except for AF.332 liabilities. For liabilities of AF.332, nominal values are provided.

2.1.2 State government

Not applicable.

2.1.3 Local government

Up to 2005, Statistics Netherlands carried out a quarterly balance sheet survey (Fido) of all local government institutions with the exception of educational institutions and non-profit institutions belonging to local government. The survey started in 2001Q1 and covers, from a financial accounts perspective, the majority of local government. Timeliness (including both collecting and processing data) is two months. The survey covers all relevant instruments but the classification is not in ESA95

terms. Survey results are currently used for estimating AF.332 assets and liabilities, AF.5 assets and AF.42 liabilities.

In 2004 a new survey (called Iv3) was introduced. This new survey covers both financial and non-financial transactions (mostly according to ESA95 classification) as well as balance sheet data (according the administrative Dutch classification) in a fully integrated way. It is based on a new national law on accounting and reporting obligations for local government. In 2005 the balance data were gradually implemented, replacing the Fido survey, whilst in 2006 the Iv3 balance sheet data were fully used due to the fact that the Fido survey has been finished. Currently, it is investigated how the data on financial transactions can be fully utilized.

2.1.4 Social security funds

For social security funds, partial data are obtained from the Ministry of Finance on AF.41 assets. These are monthly data available within five weeks. In principle, only end-of-quarter stocks are used. Complete data on AF.41 assets are available on an annual basis from the Ministry of Finance.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

MBS data are in general used for the compilation of whom-to-whom matrices (*cf.* Section 3.5). This is especially the case for subsector local government, where MBS (counterpart) data are used for estimating AF.2 assets, AF.33 and AF.41 liabilities and for social security funds, where MBS (counterpart) data are used for AF.2 assets and AF.4 liabilities.

2.2.2 Balance of payments statistics

BoP data are in general used for the compilation of whom-to-whom matrices (*cf.* Section 3.5).

This is particular the case for central government, where BoP (counterpart) data are used for AF.2 assets and AF.42 assets and for local government, where BoP (counterpart) data are used for AF.2 assets.

2.2.3 Securities issues statistics

Currently not used.

2.2.4 Other financial intermediaries statistics

Quarterly data from insurance corporations and pension funds are used for the compilation of whom-to-whom matrices (*cf.* Section 3.5).

2.3 Other financial data

Three other sources are used:

- a) Concerning AF.21 liabilities, currency issued by the State (coins), data are provided on a quarterly basis by DNB, the Dutch Central Bank. Timeliness of these data is one month.
- b) Data on AF.332 liabilities of central government at market value are obtained from AEX, the Amsterdam stock exchange. This covers the State and NIO, currently the only issuers of securities other than shares in the central government sector. Both amounts outstanding and quoted prices are used on a security-by-security basis. Only end-of-quarter data are used. Timeliness of these data is one (working) day.
- c) Statistics Netherlands compiles indices on quoted shares and bonds. These indices were used in the past for revaluations of AF.332 and AF.5/AF.511 assets for social security funds. They were also used, up to 2000Q4, for revaluations of and AF.332 assets and liabilities and AF.5 assets for local government.

III Data coverage

3.1 Delimitation of general government (sector boundary)

General government is in line with the delimitation used for the annual national accounts for the Netherlands.

3.2 Coverage of financial instruments

All categories to be transmitted under the Regulation are covered. In terms of actual source data (not interpolations/extrapolations) coverage varies between the instruments.

3.3 Breakdown by original maturity

Available for all categories where applicable.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

For the Dutch State and NIO, counterpart data according to the Regulation are available. For the remainder of central government, only annual data exist.

3.4.2 State government

Not applicable for the Netherlands.

3.4.3 Local government

For local government, counterpart data are partially available using MBS, BoP and data from the Ministry of Finance on the State. If no information exists, annual data are used.

3.4.4 Social security funds

For social security funds, counterpart data are partially available using MBS, BoP and data from the Ministry of Finance. If no information exists, annual data are used.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Apart from (A)F.5 and (A)F.7, full whom-to-whom matrices are compiled for all instruments in the context of the compilation of a full set of quarterly sector accounts. This is part of the regular quarterly compilation cycle.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

See above under Section 3.5.

3.7 Breaks in time series (former comparability over time)

There are no breaks in series.

IV Current compilation methods

4.1 Stocks and flows

Transactions are based on flow information only for the State.

4.1.0 Information from stocks or flows ⁹⁰

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF	n.a.	FF	FS	FF	FS	n.a.	FF
	Stocks	SS	SS	SS	SS	n.a.	SF	SS	SS	SS	n.a.	SF
CG bodies	Transactions	FS	FS	FS	FS	n.a.	FS	-	FF	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS	-	SS	SS	n.a.	SS
State Government												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		FS	FS	FS	FS	n.a.	FS	n.a.	FS	FS	n.a.	FS
Stocks		SS	SS	SS	SS	n.a.	SS	n.a.	SS	SS	n.a.	SS
Social Security Funds												
Transactions		FS	FS	FS	FS	n.a.	FS	-	-	FS	n.a.	FF
Stocks		SS	SS	SS	SS	n.a.	SS	-	-	SS	n.a.	SS

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF	n.a.	FF	FS	FF	FS	n.a.	FF
	Stocks	SS	SS	SS	SS	n.a.	SF	SS	SS	SS	n.a.	SF

⁹⁰ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

CG bodies	Transactions	FS	FS	FS	FS	n.a.	FS	-	FF	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS	-	SS	SS	n.a.	SS
State Government												
	Transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Stocks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
	Transactions	FS	FS	FS	FS	n.a.	FS	n.a.	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	n.a.	SS	n.a.	SS	SS	n.a.	SS
Social Security Funds												
	Transactions	FS	FS	FS	FS	n.a.	FS	-	-	FS	n.a.	FF
	Stocks	SS	SS	SS	SS	n.a.	SS	-	-	SS	n.a.	SS

Comments:

This table doesn't differ with respect to the table for the provisional estimates since no new direct quarterly sources become available. In the case of new direct annual sources becoming available, it will result in adjustments of the quarterly figures.

4.1.1 Financial transactionsFor central government:

F.33 (liabilities): financial transactions are computed as differences between nominal values of corresponding balance sheet data.

F.34 (both assets and liabilities): source data are available for both financial transactions and the balance sheet (this category currently consists merely of interest rate swaps of the State).

F.5/F.511 (assets): for the State, financial transactions are obtained directly from the source.

F.7 (both assets and liabilities): for some components of (A)F.7 information on stocks is available (e.g., accrued interest), for other components of (A)F.7 information on the contrary information on flows is available (e.g., cash-accrual adjustments for non-financial transactions). Both types of information are combined, assuming that other changes in volume are zero.

For social security funds:

F.2 assets: financial transactions are derived as differences in MBS data on AF.2 and stocks are then calculated assuming other changes in volume to be zero.

F.332 (assets): financial transactions are usually assumed to be zero.

F.4: see F.2 assets.

F.5/F.511 (assets): financial transactions are usually assumed to be zero.

F.7 (both assets and liabilities): the values of (A)F.7 are adjusted in such a manner that net lending/net borrowing B.9F resulting from financial accounts equals B.9 resulting from the non-financial accounts. This approach seems justified by the nature of the activities of social security funds.

For local government:

F.7 (both assets and liabilities): direct source information on AF.7 is partially available which is combined with information on the contrary information on flows (e.g., cash-accrual adjustments for non-financial transactions). Other changes in volume are assumed to be zero.

For all cases not covered above, financial transactions are compiled as differences between subsequent balance sheet values of the instrument.

4.1.2 Ensuring consistency between stocks and flows

All changes in volume for both instruments and subsectors are computed and inspected. Suspicious values (i.e. differing significantly from zero) are investigated and, where appropriate, corrected.

4.1.3 Revaluations

For the State, source data are obtained in ESA95 terms for (A)F.331 liabilities, (A)F.34 both assets and liabilities and (A)F.511 assets. Hence, correct revaluations can be derived. For AF.332 liabilities of central government, end-of-quarter market values are calculated by Statistics Netherlands from the Amsterdam stock exchange (AEX) data of amounts outstanding and quoted prices on a security-by-security basis. Combination with transaction data, see also Section 4.1.1, yields revaluations. In all other cases, revaluations are not taken into consideration explicitly.

4.2 Other changes in the volume of assets

For current quarters when no annual data are available, usually no information on other changes in volume is available. They are implicitly assumed to be zero. In the rare cases where data are available, they will be processed.

For historical quarters (where annual data are available) the annual values are, lacking of additional information, being distributed proportionally to the balance sheet mutations on the corresponding quarters.

4.3 Valuation of financial instruments

4.3.1 Market valuation principle

Market prices are accurately recorded in the case of long-term debt securities and quoted shares. For most traded instruments (that is, subcategories of AF.3 and AF.5), the market valuation principle is applied. Exceptions are non-quoted shares of the Dutch State, for which the book values as reported

by the Ministry of Finance are used. These are usually updated only once a year. There is one notable exception to the above-mentioned exceptions: the quarterly balance sheet data of the Dutch Central Bank (DNB, which is 100% owned by the Dutch State) is used for computing its book value.

4.3.2 Other valuation

Estimations for unquoted shares follow the 'own funds at book value' approach and are mostly based on information from the holding side, partly based on source data from the issuing side.

4.4 Accruals accounting & recording of interest

4.4.1 Accruals principle

The ESA95 accruals principles are applied. This is of particular importance for the category (A)F.7, other accounts receivable/payable since all cash-accrual corrections are, according to national practice, recorded under this category. Examples include accrued interest and statistical accrual adjustments of cash-based source data, e.g., in the case of taxes.

4.4.2 Recording of interest

Accrued interest is, analogous to the treatment in the annual financial accounts, not recorded under the corresponding instrument but under other accounts receivable/payable. Of course in the non-financial accounts, interest (D.41) is recorded on an accrual basis.

4.4.3 Debtor approach

The debtor approach is applied.

4.5 Interpolation, extrapolation, and other estimation methods

Some limited annual information is interpolated and extrapolated linearly. Parts of the social security balance sheets are interpolated and extrapolated on the basis of relevant indicators.

4.5.1 Interpolation methods

For back data, an interpolation/adjustment method based on Denton's movement preservation principle has been developed. The method applies to the full system of quarterly sector accounts (both financial and non-financial). As input it takes best available quarterly indicators, accompanied by an estimate of their reliability, and adjusts them to annual benchmark data, while taking into account:

A) the requirement that the sum of transactions for four quarters equals the annual transaction total (and the analogous requirement for stocks), and

B) all accounting relations within the system, except for the budget identity (equality of net lending/net borrowing from both financial and non-financial perspectives).

As quarterly indicators (in order of preference) either previously compiled quarterly data, primary statistics data, counterpart information, informed estimates or simple linear interpolation is used. Additionally, major events attributable to a specific quarter are identified and treated accordingly.

In practice, for the government sector the interpolation is achieved manually first. Then, the adjusted figures are the exogenous (i.e. no further adjustments are allowed) input for the Denton's computer programme, which is applied to the full sector accounts. If this leads to rather implausible results for the other sectors in the sector account, the government data will be adjusted.

4.5.2 Extrapolation methods

For central government, balance sheet variables for the (relatively small) part for which no quarterly data are available, are usually (that is, unless information from other sources is available) kept constant to the annual data for the most recent available year. Transactions are usually assumed to be zero.

For local government, balance sheet mutations are derived from the quarterly balance sheet survey mentioned in Section 2.1. Financial transactions are then derived from the mutations, taking into account counterpart information from financial institutions. Balance sheet variables are derived from the sum of previous balance sheet data and financial transactions as derived above, assuming other economic flows to be zero. Only in the case of AF.332 liabilities, however, the treatment is different: here, the market value is compiled independently.

Social security funds are usually (unless information from other sources happens is available) kept constant to the annual data for the most recent available year. Transactions are usually assumed to be zero. There are no balance sheet variables available for AF.7, since there are no quarterly data available. For the treatment of (A)F.7 see above, Section 4.1.1.

4.5.3 Other methods - adjustment of source data for compilation

Non-financial accounts source data that are reported on a cash basis are adjusted according to the ESA95 accrual principles. This applies for example to VAT receipts, which are shifted by one month. The resulting adjustments are transferred to the (A)F.7 categories of financial accounts.

4.6 Consolidation methods⁹¹

Consolidation for both the sector general government and its subsectors (that is, both intra and extra) is carried out for all categories applicable and is based mostly on monthly source data for the State (as

⁹¹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

obtained from the Ministry of Finance). The State plays a central part in most intra-government transactions.

4.7 Conversions (euro, foreign currency)

All data used are already in euro. Therefore, no conversions are necessary.

4.8 Revisions policy or coherence between provisional and final statistics

Quarterly data are adapted to the most recent (published) annual data. Since 2006, the quarterly data on financial accounts of the government sector are adjusted in the September transmission. However, additional revisions during the year are/were possible due to the introduction of the full quarterly sector account for which the adaptation process is more time-consuming and hence occasionally takes place at a later period of time.

In the future, the adaptation process will be further automated using Denton's technique for the full quarterly sector accounts.

Furthermore, in order to have a timely first estimate (end of March of year T) of annual figures for year $T-1$, the first three quarters of the year $T-1$ will be adjusted in the period January/February of year T , just before the compilation cycle of the fourth quarter for year $T-1$ starts.

Periodically a benchmark revision of the full Dutch national accounting system is undertaken. In that case, the whole time series of quarterly data (back to 1998Q4 for stocks and 1999Q1 for flows) may be subject to revision. The latest benchmark revision was carried out during 2006.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

From mid 2005 onwards, quarterly financial accounts for the government sector are compiled in the context of a full set of quarterly sector accounts. The compilation system includes both financial and non-financial accounts. Horizontal and vertical balancing is carried out as part of the regular quarterly compilation cycle. Full horizontal 'transaction identity' consistency is achieved. Vertical 'budget identity' consistency, however, is not yet achieved for all government subsectors— even though it is on an annual basis. This results in statistical discrepancies.

Due to several reasons, quarterly statistical discrepancies may be substantial and volatile. For example, on a quarterly basis the category F.7 is rather important for all subsectors of general government. This applies in particular to social security funds where, due to the kind of activities and the ways of financing of this subsector, the category F.7 dominates all other categories.

Statistical discrepancies in current quarters do not appear for local government and social security funds. The net lending/borrowing B.9 is taken from the non-financial accounts; consistency with B.9F is achieved through F.7. For central government, in fact the State, the situation is different since for

both financial and non-financial accounts direct sources are available, leading to different B.9/B.9F. A more systematic analysis of statistical discrepancies is one of the subjects on our list of quality improvement projects for quarterly sector accounts.

5.2 Coherence between quarterly and annual data

There is incoherence between quarterly and annual data for some months after the publication of new annual data in July. This is a consequence of the current revision policy, see section 4.8.

5.3 Comparability with government debt

The government debt data are compiled after the QFAGG compilation process has finished. Essentially, it means that market values have to be transformed to nominal value for AF.33. Therefore, QFAGG data are mainly consistent with Q-debt data. However, the accrued interests are not recorded under the underlying instrument, but under other receivable/payable according to (annual) Dutch practice.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

Both QFAGG and MUFA data are compiled in the context of the Dutch sector accounts compilation system at Statistics Netherlands. Hence, the data of QFAGG and MUFA are aligned. Differences only appear due to differences in vintage. In those cases, the QFAGG data are of a more actual vintage than MUFA due to revisions; see section 4.8.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Frequency	Sys	Occ	N.a.	Int.
Types				
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset			X		
of the yield on assets and liabilities (property income / stocks)			X		

Cases where stocks are derived by flows, or the reverse:

Transactions are derived from stocks **without** adjustment for:

F.2, F.4 and parts of F.7 for central government;

Transactions are derived from stocks **with** adjustment for:

F.332 (derived from nominal values); all categories except AF.332 liabilities local government; social security funds (all transactions).

Stocks are derived from transactions **without** adjustment for:

Parts of AF.7 for central government.

6.3 Major events monitoring

Information on major events is reported.

6.3.1 Large transactions

Large transactions are regularly monitored and reported.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	National authorities	Large emission of DSL's (Dutch State Loans).	05Q02	16 834.00	3.33
F.33	Short-Term	Liabilities	National	Central Government has made repayments of Dutch	07Q04	-13 793.00	-2.47

	Term		authorities	Treasury Certificates for a large amount			
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**Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).*

6.3.2 Other economic flows (OEF)

OEF are regularly monitored and fully reported.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	A benchmark revision from the year 2001 onwards resulted in large OEF for foreign equity for central government.	00Q04	-6 846.00	1.64
				A large increase in the market value of the equity stock of mainly KPN, TNT and DNB.	99Q04	13 624.00	3.53

AUSTRIA

I Institutional arrangements

1.1 Compiling institutions

Statistics Austria is responsible for the compilation of non-financial accounts, annual and quarterly government debt and other “EDP Data”. The Oesterreichische Nationalbank is responsible for the compilation of financial accounts for all institutional sectors including the government sector. Specifically this task has been assigned to the External Statistics and Financial Accounts Division, a division of the Statistics Section of the Oesterreichische Nationalbank.

A formal cooperation agreement between the national statistical institute (Statistics Austria) and the central bank (Oesterreichische Nationalbank) has been signed in the year 2003. Annexes allocating the institutional responsibility for special fields of activity where cooperation is needed (among others government finance statistics) will be added when fixed.

A working group consisting of NSI (non-financial accounts compiler) and NCB (financial accounts compiler) has been established where methodological questions are discussed, data sources are evaluated and reasons for differences are analysed and solved. Meetings of the working group take place regularly; the cooperation is constant and institutionalised.

1.2 Publication policy

QFAGG data are published on the web site of the Oesterreichische Nationalbank (OeNB) in German and in English. Analysis of financial accounts data are published on the website of the OeNB. The publication contains also a description of financial accounts. Part of it is in English.

OeNB web site:

http://www.oenb.at/de/stat_melders/datenangebot/gesamtwirtschaftlich/finanzierungsrechnung.jsp

Coverage: General government non-consolidated data.

1.3 Publication timeliness

Data are published within 100 days.

II Statistical sources

Direct information is not used for securities assets/liabilities nor for shares because of the reliance on security by security databases, whose results are nonetheless cross-checked. Direct information is not

used for deposits and for receivables/payables, except for receivables and for payables of budgetary central government. Direct information is only or mainly used for loan assets/liabilities.

Combining available direct and indirect sources allows reaching full coverage of instruments and sectors. Combining the direct sources with the indirect sources like the security by security database of the OeNB, BOP data, quarterly data on insurance corporations and pension funds etc., counterpart information can be derived and is therefore available.

2.0 Source Data

2.0.1 - Statistics without counterpart sector information⁹²

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MNO	S	MO	S/MO		ON	n.a.	S	ON		IN
	Stocks	MNO	S	MO	S/MO		ON	n.a.	S	ON		IN
CG bodies	Transactions	NO	S	ON	S/MO		NO	n.a.	S	ON		NO
	Stocks	NO	S	ON	S/MO		NO	n.a.	S	ON		NO
State Government												
Transactions		NO	S	MO	S/MO		NO	n.a.	S	ON		NO
Stocks		NO	S	MO	S/MO		NO	n.a.	S	ON		NO
Local Government												
Transactions		NO	S	MO	S/MO		NO	n.a.	S	NO		NO
Stocks		NO	S	MO	S/MO		NO	n.a.	S	NO		NO
Social Security Funds												
Transactions		NO	S	ON	S/MO		ON	n.a.	S	NO		NO

⁹² Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Stocks	NO	S	ON	S/MO		ON	n.a.	S	NO		NO
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Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MNO	S	MO	S/MO		ON	n.a.	S	ON		IN
	Stocks	MNO	S	MO	S/MO		ON	n.a.	S	ON		IN
CG bodies	Transactions	NO	S	ON	S/MO		NO	n.a.	S	ON		NO
	Stocks	NO	S	ON	S/MO		NO	n.a.	S	ON		NO
State Government												
Transactions		NO	S	MO	S/MO		NO	n.a.	S	ON		NO
Stocks		NO	S	MO	S/MO		NO	n.a.	S	ON		NO
Local Government												
Transactions		NO	S	MO	S/MO		NO	n.a.	S	ON		NO
Stocks		NO	S	MO	S/MO		NO	n.a.	S	ON		NO
Social Security Funds												
Transactions		NO	S	ON	S/MO		ON	n.a.	S	NO		NO
Stocks		NO	S	ON	S/MO		ON	n.a.	S	NO		NO

Comments: Data of the security by security database of the OeNB are checked and regularly aligned with available direct information on the issuance of securities other than shares and holdings of “the state”. Holdings of AF.511 and AF.512 are also checked with direct information available.

Therefore only S for security by security database is specified as data source in the relevant boxes having in mind that this information is checked with direct information.

In the case of Austria, information out of the security by security database for the liability side of the government sector cannot be regarded as indirect data source as all domestic issuers provide all data to the national numbering agency (NNA); therefore this is direct information. NNA is the key provider for the master file of the security database.

Concerning the holdings of AF.3, the only restriction up to now is that on the assets side it is not possible to differentiate between the holdings of the different sub-sectors of general government. Up

to now all the holdings are allocated to S.1311 central government, as it is assumed that the holdings of the other sub-sectors are very small. This information is available on a quarterly basis with a delay of $t+85$. With the revision of Annual Financial Accounts in summer 2008 the differentiation of the individual sub-sectors will be implemented in this database and consequently in Financial Accounts. Large exceptional cases however are already now allocated to the relevant sub-sectors.

Concerning AF.4 liabilities of local government authorities, on a quarterly basis currently indirect data sources are used. This quarterly information is aligned with annual direct information of Statistics Austria (Maastricht debt).

Concerning AF.4 liabilities of Social Security Funds, the indirect data source is checked with the direct data source available.

General information concerning data sources:

Together with Statistics Austria, a new data collection system concerning financial accounts data of S.1312 (State Government) and S.1313 (Local Government) has been developed. Therefore full integrated information out of this direct data source will be available in the future. At present this new data source is only used for selected financial instruments because currently the data quality for some of the financial instruments out of this integrated data source has to be improved due to current weaknesses because of major changes in the data collection system for financial transactions and stocks.

As can be seen from the answers of Table 1.1 and 1.2 many direct data sources are used. But experience has shown that direct information which is not checked cannot be considered a priori as a more reliable type of information (see also comment to Table 2.1).

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	S	MO	S/MO	NO
	Stocks	S	MO	S/MO	NO
CG bodies	Transactions	S	ON	S/MO	NO
	Stocks	S	ON	S/MO	NO
Social Security Funds					
Transactions		S	ON	S/MO	NO
Stocks		S	ON	S/MO	NO

Table 2.2 Final estimate

Same as table 2.1.

Comments: For AF.4 liabilities direct data sources are available but experience has shown that in this case direct data sources are not a priori more reliable than indirect ones.

2.1 Direct sources

2.1.1 Central government

AF/F.4 Loans:

For the assets side of S.1311, central government loans to other government sub-sectors and to other domestic sectors are obtained from information from the Austrian Federal Financing Agency. This information is available on a quarterly basis.

For the liabilities side of general government, nominal value of stocks of AF.4 Loans is the basis of the calculations. This information is currently available on an annual level (EDP data compiled by Statistics Austria) as well as on a quarterly level (quarterly Maastricht debt). Additionally monthly information on loans of central government is available from the Austrian Federal Financing Agency. General government debt consists mainly of debt incurred by central government.

As a new data collection system concerning data for financial accounts has been developed, this new data interface is included in the data collection system already established for non-financial data from Statistics Austria. Data derived from this source is available and will be used for the compilation of Financial Accounts as soon as quality is sufficient. Currently the data quality for some of the financial instruments out of this integrated data source has to be improved due to current weaknesses because of major changes in the data collection system for financial transactions and stocks.

2.1.2 State government

See comments under 2.0.1

2.1.3 Local government

See comments under 2.0.1

2.1.4 Social security funds

Indirect information is used for the compilation of financial accounts

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

AF/F.2 Currency and deposits:

Money and banking statistics constitute the main source of information concerning this financial instrument for all government sub-sectors. The frequency is monthly and the delay is one month.

AF/F.3 Securities other than shares:

See comments under 2.0.1.

AF/F.4 Loans:

Money and banking statistics are also used for the calculation of the liabilities of all government sub-sectors (AF/F.4) although this information is mainly used for the breakdown into counterpart sectors and into initial maturity.

AF/F.5 Shares and other equity:

The security by security database of the Oesterreichische Nationalbank is used. The differentiation into the separate subcategories of AF/F.5 is possible with the exception of AF/F.513 other equity. Concerning AF/F.513 other equity of the government sector the Oesterreichische Nationalbank has only partial information up to now on a case by case basis.

2.2.2 Balance of payments statistics

AF/F.2 Currency and deposits; balance of payments statistics are used for deposits abroad.

AF/F.4 Loans; balance of payments statistics are used for loans granted to and by non-residents.

AF/F.7 Other accounts receivable/payable:

Balance of Payments statistics are used for AF/F.7 with a foreign counterpart.

2.2.3 Securities issues statistics

Not used.

2.2.4 Other financial intermediaries statistics

Statistics on domestic insurance corporations and pension funds are used for the calculation of the liabilities of all government sub-sectors (AF/F.4) although this information is mainly used for the breakdown into counterpart sectors and into initial maturity.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

III Data coverage

3.1 Delimitation of general government (sector boundary)

The delineation of the sector general government is carried out by an expert group of Statistics Austria. A catalogue of a list of all institutional units which belong to the sector general government is updated regularly by this expert group. This catalogue is also the basis for the sector delineation of money and banking statistics, balance of payments statistics and the security by security database. This list of institutional units is also published on the homepage of the Oesterreichische Nationalbank under the following link:

http://www.oenb.at/de/stat_melders/standards_und_codes/ESVG_95_Sektorcodes/esvg95.jsp

3.2 Coverage of financial instruments

Currency and deposits: Banknotes, coins from base metals, bimetallic coins, silver coins, transferable deposits with banks (personal checking accounts, sight deposits), time deposits, saving deposits and cash pooling accounts. Stocks are recorded at their nominal value.

Securities (other than shares) and financial derivatives: Short-term securities (securities with an original maturity of up to one year), long-term securities (securities with an original maturity of more than one year) as well as financial derivatives based on interest rate or capital contracts. The securities transactions and the resulting securities portfolios include any interest accrued and not yet paid in line with the accrual principle applicable under the ESA 95 framework. Stocks are valued at current market prices.

Loans: this category includes unsecuritized, interest-bearing debt encompassing financial loans, financial leasing and repurchase agreements as well as loans by government entities, particularly under the central government's intermediary funding programs. Within the framework of the financial accounts loans are subdivided into short-term loans and long-term loans depending on the original maturity. Repurchase agreements are classified according to the maturity of the repurchase agreement and not according to the maturity of the underlying instrument. Loans are quoted at book value.

Shares and other equity: Quoted and unquoted stocks, and all kinds of mutual fund shares. Valuation is at market prices for quoted shares and for mutual fund shares. Valuation is at book value for all other types of shares.

Other accounts receivable/payable: At present the time adjustment for cash transactions of taxes is available on a quarterly basis. Information on trade credits for the purchase of military equipment is also available. Furthermore information on social contributions not yet paid is available.

3.3 Breakdown by original maturity

Information about original maturity for the instruments Securities other than shares and Loans is available according to the rules laid down by the Regulation.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

AF/F.331 and AF/F.332 short- and long-term securities other than shares and AF.5 shares and other equity:

The counterpart information is available using the security by security database of the Oesterreichische Nationalbank, where who-to-whom information is fully implemented.

AF/F.4 Loans:

Assets: For central government the information is available from direct information from the Austrian Federal Financing Agency.

Liabilities: Counterpart information from the quarterly statistics of Insurance Corporations and Pensions Funds compiled by the Oesterreichische Nationalbank is available.

3.4.2 State government & 3.4.3 Local government

No counterpart information required according to Regulation 501/2004, but in principle information is available; see comments under 3.4.1.

3.4.4 Social security funds

Social security funds do not grant loans.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

AF/F.3 and AF/F.5 (without other equity): full information is available from the security by security database of the Oesterreichische Nationalbank.

AF/F.4 Loans:

Central government: Direct information of the Austrian Federal Financing Agency is available. This information provides a classification of counterpart sectors.

For the other government sub-sectors a new data collection system has been developed which allows a complete classification of counterpart sectors.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Combining all the direct information and the counterpart information (including balance of payments statistics) a classification on a who-to-whom basis is available.

A split between resident and non-resident sectors is possible.

3.7 Comparability over time

Breaks in time series are reported for 1999Q1 for F.331, F.332 and F.52 due to change of data source.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ⁹³

Transactions are based on stock information for most categories, except for payable/receivables (time adjustments for taxes), which are all based on flow information, and loans assets and other equity of state government and local government, loans liabilities of state government and some equity information of Budgetary central government. Stocks are generally based on flow information when transactions are based on flow information. Transactions pertaining to the rest of the world are generally based on flow information.

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS/F F for S.2	FS/ FF for	FS/F F for S.2			FF	n.a.	FS/F F for S.2	FS/F F for S.2		

⁹³ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

			S.2		FS/FF							FF
	Stocks	SS	SS	SS	SS		SF	n.a.	SS	SS		SF
CG bodies	Transactions	FS/F F for S.2	FS/ FF for S.2	FS	FS/FF for S.2		FF	n.a.	FS/F F for S.2	FS/F F for S.2		FF
	Stocks	SS	SS	SS	SS		SF	n.a.	SS	SS		SF
State Government												
	Transactions	FS/F F for S.2	FS/ FF for S.2	FF	FF		FF	n.a.	FS/F F for S.2	FF		FF
	Stocks	SS	SS	SF	SS		SF	n.a.	SS	SF		SF
Local Government												
	Transactions	FS/F F for S.2	FS/ FF for S.2	FF	FF		FF	n.a.	FS/F F for S.2	FS/F F for S.2		FF
	Stocks	SS	SS	SF	SF		SF	n.a.	SS	SS		SF
Social Security Funds												
	Transactions	FS/F F for S.2	FS/ FF for S.2	FS	FS		FF	n.a.	FS/F F for S.2	FS/F F for S.2		FF
	Stocks	SS	SS	SS	SS		SF	n.a.	SS	SS		SF

Comments: There are further developments concerning:

- state and local government authorities: a new data collection system concerning financial accounts data has been developed and implemented jointly by the OeNB and Statistics Austria. Data derived from this source is available and will be used for the compilation of Financial Accounts as soon as quality is sufficient. Currently the data quality for some of the financial instruments out of this integrated data source has to be improved due to current weaknesses because of major changes in the data collection system for financial transactions and stocks. Then for all financial instruments stock and flow data will be available.

- "the State": as from 2006 onwards master data for each loan are available in the OeNB. Therefore from 2006 onwards for AF.4 of the State "SS" as well as "FF" data are available.

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS/F F for S.2	FS/ FF for S.2	FS/F F for S.2	FS/FF		FF	n.a.	FS/F F for S.2	FS/F F for S.2		FF
	Stocks	SS	SS	SS	SS		SF	n.a.	SS	SS		SF
CG bodies	Transactions	FS/F F for S.2	FS/ FF for S.2	FS	FS/FF for S.2		FF	n.a.	FS/F F for S.2	FS/F F for S.2		FF
	Stocks	SS	SS	SS	SS		SF	n.a.	SS	SS		SF
State Government												
Transactions		FS/F F for S.2	FS/ FF for S.2	FF	FF		FF	n.a.	FS/F F for S.2	FF		FF
Stocks		SS	SS	SF	SS		SF	n.a.	SS	SF/S S		SF
Local Government												
Transactions		FS/F F for S.2	FS/ FF for S.2	FF	FF		FF	n.a.	FS/F F for S.2	FS/F F for S.2		FF
Stocks		SS	SS	SF	SF		SF	n.a.	SS	SS		SF
Social Security Funds												
Transactions		FS/F F for S.2	FS/ FF for S.2	FS	FS		FF	n.a.	FS/F F for S.2	FS/F F for S.2		FF
Stocks		SS	SS	SS	SS		SF	n.a.	SS	SS		SF

4.1.1 Financial transactions

The compilation method and the data source of both financial balance sheet items and financial transactions differ from financial instrument to financial instrument.

AF/F.2:

Currency and deposits: For deposits with domestic banks', balance sheet information of domestic credit institution (money and banking statistics) is used as data source. Changes caused by exchange rate fluctuations are available due to information on the currency breakdown. For deposits abroad, balance of payments and international investment position data are used where revaluations (if any) are available.

For AF/F.3 and AF/F.5:

The security by security database of the Oesterreichische Nationalbank is used. A consistent system of stocks, flows and a breakdown into revaluations and other changes in volume is available.

AF.4 Loans:

Annual information on stocks (liabilities of government sub sectors) is available from government finance statistics (EDP data) compiled by Statistics Austria. Quarterly Maastricht debt is used as input in QFAGG. Quarterly stock data for central government loans are available from the Austrian Federal Financing Agency. Revaluations, if any, are considered explicitly. Financial transactions of loans on the liabilities side are obtained as a residual.

The same holds on the assets side of central government. (Information on stocks is available from the Austrian Federal Financing Agency and Balance of Payments statistics). For the other sub-sectors a new data collection system has been developed.

4.1.2 Ensuring consistency between stocks and flows

For annual data Austria uses an integrated source data system detailed at the level of units and transaction/instrument (A1+B1, C1, D1) for all main components of its sub-sectors of general government but it is not used (NOU) for final compilation except for state governments and local governments. There exists for S.1312 and S.1313 a bridge into ESA, but without allocating all entries (PAR) is applied. Hence non-financial and financial accounts will not be balanced which means that stocks based on accumulation of flows cannot be followed in details per unit/instrument.

For quarterly data, Austria uses an integrated source data system for all main components of its sub-sectors of general government (except for social security) through C1 for central government, A1+ B1 for state government and G1 for local government. It is not used (NOU) at the level of "the state". For state governments and local governments, a bridge is applied into ESA, but without allocating all entries (PAR).

So consistency between stocks and flows is achieved for general government sector for quarterly data (as well as annual) by definition due to the above described compilation procedure but not out of the integrated data source. Concerning State and Local Government authorities: a new data collection system concerning financial accounts data has been developed and implemented jointly by the OeNB and STAT. Data derived from this source is available and will be used for the compilation of Financial

Accounts as soon as quality is sufficient. Currently the data quality for some of the financial instruments out of this integrated data source has to be improved due to current weaknesses because of major changes in the data collection system for financial transactions and stocks. Then for all financial instruments stock and flow data will be available.

Concerning “the State” further developments are expected. From 2006 onwards master data for each loan are available in the OeNB. Therefore AF.4 of the State “SS” as well as “FF” data are available. The use of integrated source data for compiling financial accounts is envisaged for future periods (see above). Currently the data quality for the financial side of the integrated source data is insufficient due to major changes in the data collection system for financial transactions and stocks. This holds especially for S.1312 and S.1313. But the available indirect information and information of the security by security database of the OeNB are checked and if necessary aligned with direct information available.

4.1.3 Revaluations

Because the financial instruments are valued at market price, an important part of the stock/flow transitions is made up by revaluations. This is the case especially for securities other than shares and shares and other equity (see above).

4.2 Other changes in the volume of assets

Reclassifications where identified are included in other changes in volume. Concerning AF/F.3 and AF/F.5 this information is in principle available from the security by security database of the Oesterreichische Nationalbank.

4.3 Valuation of financial instruments

Market valuation where required by ESA 95 is applied. For unquoted equities the book value is recorded where no market valuation is available.

4.4 Accrual accounting and recording of interest

The recording of interest in financial transactions accounts on an accrual basis affects financial transactions accounts since it means that the interest accrued has been incorporated into the financial transaction up to the time of payment. Regarding the financial balance sheets, the outstanding stock of securities has been recorded at market prices, with accrued interest being one of the market price components. This is especially important for F.33/AF.33 Securities other than shares which account for 90 % of total interest costs of the government sector in Austria.

Accrued interest is compiled in the balance of payments statistics as well as in the security by security compilation system, which are both important primary sources for quarterly financial accounts for reinvestment of interest in the underlying financial instrument. In the case of securities the compilation of accrued interest is made by the Oesterreichische Nationalbank using the information

both for foreign securities and domestic securities on a security by security basis, taking into account data of the master file of each security and data of the custody reports of banks:

- outstanding amount (nominal value) at the previous reporting date
- outstanding amount (nominal value) at the actual reporting date
- nominal interest rate and date of the coupon
- date of the payment of the interest

Debtor approach is used.

4.5 Interpolation, extrapolation, and other estimation methods

Neither interpolation, nor extrapolation methods are used.

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods⁹⁴

Consolidation methods applied in the quarterly financial accounts of the general government are in full conformity with the method described in the Manual on Sources and Methods for the compilation of ESA95 Financial Accounts (Part II - Issue n°4 - Consolidation).

4.7 Conversions (euro, foreign currency)

Security by security database and balance of payments statistics data: stocks are converted in euro on the basis of the representative market foreign currencies exchange rate prevailing at the end of the period. Transactions and other changes in volume are converted in euro on the basis of the average exchange rate of the specific period.

Money and banking statistics: stocks are converted in euro on the basis of the representative market foreign currency exchange rate prevailing at the end of the period.

⁹⁴ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.8 Revisions policy or coherence between provisional and final statistics

The quarterly figures are being continuously revised and are not final before the equivalent annual figures are final. Annual figures are revised twice a year. Generally speaking this means the following. First results of the annual financial accounts are available 6 months after the reference period. These results are sent immediately to Eurostat and ECB. Quarterly data compiled in March for the previous year are revised with the first version of annual data.

The first revision of annual data takes place 11 months after the reference period. This revision includes data mainly for the government sector and the insurance companies and pensions funds due to availability of balance sheet data. At the same time the data of the international investment position are available.

The second revision of annual data takes place during the compilation of the financial accounts of the following reference year. This second version is also sent to Eurostat and ECB at the same time as the first results of the following reference year are available.

The corresponding revisions of quarterly data (which are always held in line with annual data) are transmitted to Eurostat and the ECB by the end of the corresponding quarter.

V Coherence and comparability

At the moment quarterly results of financial accounts and non-financial accounts are compared. Balancing the full set of government accounts on a quarterly basis is envisaged but not achieved at the moment. In financial accounts no statistical discrepancy is included in other accounts receivable/payable.

A new data collection system has been developed ensuring the use of more direct data sources concerning financial accounts of the government sector. Data derived from this source is available and will be used for the compilation of Financial Accounts as soon as quality is sufficient. Currently the data quality for some of the financial instruments out of this integrated data source has to be improved due to current weaknesses because of major changes in the data collection system for financial transactions and stocks. This creates a better possibility of identifying single cases and assures the correct book entries of these cases. The difficulty up to now is the identification of single cases in the counterpart information and the correct book entries without double counting.

5.1 Coherence between financial and non-financial accounts

A working group consisting of STAT (non-financial accounts compiler) and OeNB (financial accounts compiler) has been established where methodological questions are discussed, data sources are evaluated and reasons for differences are analysed by expenditure/receipt categories and by each financial instrument. Meetings of the working group take place regularly. Since some years, a general cooperation agreement exists between STAT and OeNB. An Annex of this general cooperation agreement will be formulated to cover the issue of compiling GFS. The meetings of the above mentioned working group can then be regarded as institutionalised.

5.2 Coherence between quarterly and annual data

Annual financial statistics are derived from quarterly statistics.

5.3 Comparability with government debt⁹⁵

QFAGG data and Q-debt data are consistent from 2004.Q1 onwards. However, significant differences are recorded for the other instruments (AF.31, AF.41, and AF.42) for periods before 2004.Q1.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG is used for compilation of MUFA so consistency is ensured. The same unit compiles QFAGG and MUFA at Oesterreichische Nationalbank/ Statistics Section /External Statistics and Financial Accounts division.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		X			
between financial and non financial accounts		X			
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP		X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

⁹⁵ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks					X
of growth rates of flows ⁹⁶					
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)			X		

6.3 Major events monitoring

Information on major events is provided.

6.3.1 Large transactions

Large movements in transactions are explained. The largest are as follows.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Short-Term	Liabilities	Eurostat	Issuance of Austrian Treasury Bills (ATB's); normal cash management transaction of the Austrian Federal Financing Agency.	07Q01	6 845.00	2.53
		Assets	Eurostat	Normal cash management activity of the Austrian Federal Financing Agency.	04Q04	-5 690.00	2.41
					05Q01	6 387.00	2.60
					05Q04	-9 011.00	3.67
					06Q01	6 195.00	2.40
				Acquisition of certificates of deposits and commercial papers; normal cash	07Q01	8 232.00	3.05

⁹⁶ According to AT opinion the sense of such a plausibility check concerning financial transactions of the Government Sector is questionable and therefore not implemented.

				management transaction of the Austrian Federal Financing Agency.			
Long-Term	Liabilities	Eurostat	Long-Term	Issuance of long term securities other than shares due to standard cash management activity of the Austria Federal Financing Agency. In these large transactions as for all other transactions in this financial instruments accrued interests are included. These data out of the security by security data base of the OeNB are regularly checked with other direct data sources.	99Q01	6 680.00	3.34
					02Q01	6 634.00	3.00
					03Q02	6 575.00	2.91
					03Q03	-6 168.00	2.73
					04Q02	6 772.00	2.87
					04Q04	-10 660.00	4.51
					05Q01	8 552.00	3.49
					05Q04	-10 138.00	4.13
				Normal cash management transactions of Austrian Federal Financing Agency.	06Q02	6 606.00	2.56

*Values are in millions of national currency. Transactions above 2.4% are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

OEF are regularly monitored and reported. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	National authorities	From 1999 onwards, the security by security database of the Oesterreichische Nationalbank has used as unique data source for the instruments AF.331 and AF.332 in Austrian Financial Accounts. Therefore this OEF is partly due to change in data source.	99Q01	About 3 800	1.90

**Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).*

POLAND

I Institutional arrangements

1.1 Compiling institutions

The Central Statistical Office of Poland is responsible for the compilation of QFAGG, while the National Bank of Poland has in charge other institutional sectors.

Methodological issues are also discussed in the Working Group on General Government Statistics which was established in June 2004 by the President of CSO and consists of representatives of the CSO, the Ministry of Finance and the National Bank of Poland.

1.2 Publication policy

QFAGG data is going to be published on CSO web site. The coverage and timeliness of publication is under discussion and will be decided in 2008.

1.3 Publication timeliness

To be advised.

II Statistical sources

2.0 Source Data

Direct information is the only or main source data for securities and loans assets and for deposits and securities liabilities. Insurance technical reserves (F.6/AF.6) are not compiled using direct information. Direct information is used only in part for other categories.

2.0.1 - Statistics without counterpart sector information⁹⁷

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
	Stocks	IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN
CG bodies	Transactions	NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
	Stocks	IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN
Local Government												
Transactions		NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
Stocks		IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN
Social Security Funds												
Transactions		NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
Stocks		IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
	Stocks	IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN
CG bodies	Transactions	NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
	Stocks	IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN

⁹⁷ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Local Government											
Transactions	NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
Stocks	IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN
Social Security Funds											
Transactions	NO	NO	NO	NO	NO	NO	NO	NO	NO	n.a.	NO
Stocks	IN	ON	MO	IN	NO	IN	ON	ON	IN	n.a.	IN

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	NO	NO	NO	NO
	Stocks	IN	MO	IN	IN
CG bodies	Transactions	NO	NO	NO	NO
	Stocks	IN	MO	IN	IN
Social Security Funds					
Transactions		NO	NO	NO	NO
Stocks		IN	MO	IN	IN

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	NO	NO	NO	NO
	Stocks	IN	MO	IN	IN
CG bodies	Transactions	NO	NO	NO	NO
	Stocks	IN	MO	IN	IN

Social Security Funds				
Transactions	NO	NO	NO	NO
Stocks	IN	MO	IN	IN

2.1 Direct sources

2.1.1 Central government

The main source of information for units belonging to general government sector is budgetary reports on the quarterly basis:

1. Quarterly budgetary reports on claims of budgetary and extra budgetary units from Ministry of Finance – information on securities (short-term and long-term), loans (short-term and long-term), deposits, trade credits, including some counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
2. Quarterly budgetary reports on liabilities of budgetary and extra budgetary units from Ministry of Finance – information on securities (short-term and long-term), loans (short-term and long-term), deposits, trade credits, including some counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
3. Quarterly budgetary reports on claims of central government units with legal personality – information on securities (short-term and long-term), loans (short-term and long-term), cash and deposits, trade credits, other claims including counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
4. Quarterly budgetary reports on liabilities of central government units with legal personality – information on securities (short-term and long-term), loans (short-term and long-term), deposits, trade credits, including counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+70 days for 4th quarter),
5. Quarterly data on central government public debt from Ministry of Finance (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
6. Balance sheets of central health care institutions from Ministry of Health (t+60 days for 1st half of the year, t+135 days for the whole year),
7. Annual balance sheets of central government units

2.1.2 State government

Not applicable

2.1.3 Local government

The main sources of information for units belonging to local government sector are:

1. Quarterly budgetary reports on claims of budgetary and extra budgetary units from Ministry of Finance – information on securities (short-term and long-term), loans (short-term and long-term), deposits, trade credits, including some counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
2. Quarterly budgetary reports on liabilities of budgetary and extra budgetary units from Ministry of Finance – information on securities (short-term and long-term), loans (short-term and long-term), deposits, trade credits, including some counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
3. Quarterly budgetary reports on claims of local government units with legal personality – information on securities (short-term and long-term), loans (short-term and long-term), currency and deposits, trade credits, other claims including counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
4. Quarterly budgetary reports on liabilities of local government units with legal personality – information on securities (short-term and long-term), loans (short-term and long-term), deposits, trade credits, including counterpart information (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
5. Balance sheets of local health care institutions from Ministry of Health (t+60 days for 1st half of the year, t+135 days for the whole year),
6. Quarterly data on local government public debt from Ministry of Finance (t+60 days for 1st, 2nd and 3rd quarter, t+80 days for 4th quarter),
7. Annual balance sheets of local budgetary and extra budgetary units.

2.1.4 Social security funds

The main sources of information for units belonging to social security funds are:

1. Quarterly balance sheets data of Social Insurance Institution (ZUS) and its managed funds (t+60 days for 1st, 2nd and 3rd quarter, t+70 days for 4th quarter),
2. Quarterly balance sheets data of Agricultural Social Insurance Fund (KRUS) and its managed funds (t+70 days for 1st, 2nd and 3rd quarter, t+75 days for 4th quarter),
3. Quarterly balance sheets data of National Health Fund (NFZ).

2.2 Indirect sources

The most important indirect data sources used are money and banking statistics, balance of payments, stock market information (quotations from stock exchange, stock exchange indices, capitalization), quarterly balance sheets data of insurance companies.

2.2.1 Money and banking statistics (MBS)

Money and banking statistics are the main indirect source of information for the compilation of QFAGG. That information concerns deposits (F.2) and loans (F.4), short-term and long-term, and is available on a monthly basis with a time-lag of one month.

2.2.2 Balance of payments statistics

Data from the balance of payments is used as a supplementary source of data and for checking purposes for the transactions between general government sector and the rest of the world.

2.2.3 Securities issues statistics

Treasury securities information is obtained from the Ministry of Finance on a monthly basis.

Moreover, for the compilation of QFAGG following information is used: quotations from stock exchange, stock exchange indices, capitalization. The availability of additional data from the securities issues statistics is still under discussion.

2.2.4 Other financial intermediaries statistics

Other financial intermediaries statistics are not used during the compilation of QFAGG.

2.2.5 Non-financial corporations balance sheets

Data from balance sheets of non-financial corporations obtained on the annual basis are used as a supplementary and checking source of information on transactions between units belonging to the general government and non-financial corporations. The availability of such detailed data on quarterly basis is still under discussion. From 1st quarter of 2006 there is available quarterly reporting from non-financial corporations, covering information on financial assets and liabilities. However, the credibility of this source must be analysed before using it for quarterly financial accounts purposes, as it is a new statistical research.

2.3 Other financial data

Balance sheets of insurance companies – available about 80 days after the end of the quarter – are used in calculation of the prepayments of insurance premiums and reserves for outstanding claims (F.62).

III Data coverage

3.1 Delimitation of general government (sector boundary)

Delimitation of general government sector in QFAGG is the same as for the annual financial accounts.

In Poland general government sector (S.13) is composed of three sub-sectors: central government (S.1311), local government (S.1313) and social security funds (S.1314). State government (S.1312) is not applicable.

Central government (S.1311) includes: State Treasury, state budget units, extra budgetary units (budgetary establishments, auxiliary units, special units till the end 2004), public universities, central institutions of culture, central health care institutions, Polish Academy of Science and its dependent units, special purpose funds, agencies.

Local government (S.1313) includes: local government entities, extra budgetary units (budgetary establishments, auxiliary units, special units till the end 2004), primary, lower secondary and secondary schools, local institutions of culture, local health care institutions, special purpose funds.

Social security funds (S.1314) includes: Social Insurance Institution and its managed funds, Board of Social Insurance for Farmers and its managed funds, Labour Fund, National Health Fund, Open Pension Funds (according to the Eurostat's decision on the classification of funded pension schemes, Open Pension Funds were excluded from social security funds sub-sector and classified to Insurance Corporations and Pension Schemes sub-sector in 2007).

3.2 Coverage of financial instruments

The Polish QFAGG are compiled according to the ESA 95 and cover following financial instruments:

Currency and deposits (F.2): on asset side it includes currency, transferable deposits and other deposits in all currencies held by general government in monetary financial institutions; on liability side – deposits received by general government units,

Securities other than shares (F.3): it covers short-term securities (treasury bills) and long-term securities (bonds); financial derivatives are excluded,

Loans (F.4): this item includes short-term and long-term loans denominated in all currencies,

Shares and other equity (F.5): it includes quoted shares, unquoted shares, other equity, mutual funds shares,

Prepayments of insurance premiums and reserves for outstanding claims (F.62),

Other accounts receivable/payable (F.7): trade credits and advances, other financial claims and liabilities.

3.3 Breakdown by original maturity

The information obtained from the different sources is detailed enough to make a breakdown of loans and securities other than shares between short-term (up to 1 year) and long-term (more than 1 year).

3.4 Counterpart information for the sub-sectors

For some items (deposits, securities other than shares, loans, trade credits) counterpart information on stocks is available both for intra GG sector, as well as with other sectors. In the case of lack of such information, for the consolidation purposes some estimations are made based on the information from other sectors as well as on analysis of the main features of particular transactions.

3.4.1 Central government

See point 3.4

3.4.2 State government

Not applicable.

3.4.3 Local government

See point 3.4

3.4.4 Social security funds

See point 3.4

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

See point 3.4

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

See point 3.4

3.7 Breaks in time series (former comparability over time)

Breaks in time series are reported for 2002Q1 (AF.2 liability and AF.332 liability).

IV Current compilation methods

4.1 Stocks and flows

Transactions are based on stock information for all categories.

4.1.0 Information from stocks or flows ⁹⁸

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS
CG bodies	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	n.a.	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS
Local Government												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	n.a.	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS
Social Security Funds												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	n.a.	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS*	FS*	FS*	FS	FS	FS*	FS	FS*	FS*	n.a.	FS*
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS
CG bodies	Transactions	FS*	FS*	FS*	FS	FS	FS*	FS	FS*	FS*	n.a.	FS*
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS
Local Government												

⁹⁸ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Transactions	FS*	FS*	FS*	FS	FS	FS*	FS	FS*	FS*	n.a.	FS*
Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS
Social Security Funds											
Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	n.a.	FS
Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	n.a.	SS

Comments: * except transactions between general government sector and the rest of world, for which data are obtained from balance of payments; in these cases FF is applicable.

4.1.1 Financial transactions

In general financial transactions are derived from the stocks outstanding at the end of each quarter.

4.1.2 Ensuring consistency between stocks and flows

Concerning quarterly accounts and only for social security main unit, there is an integrated source data (B1,B2,D2) without full bridge (PAR - not all source data items are covered by the bridge) and for all others no integrated source data exists or is used.

According to ESA 95 rules, for each of the financial instruments the stock at the end of the quarter is equal to the sum of the stock at the end of previous quarter, the financial transactions, the revaluations and other changes in volume.

4.1.3 Revaluations

Two types of revaluations are identified in financial accounts:

- The first one connected with the changes in the market prices of quoted financial instruments (securities other than shares – F.3 and shares - F.5),
- The second one concerning the exchange rate fluctuations for all financial instruments denominated in foreign currency.

4.2 Other changes in the volume of assets

In general other changes in volume result from the reclassifications of instruments or units as well as methodological changes (e.g. identification of new data sources). In several cases other changes in volume are caused by the correction of mistaken treatment of financial instruments or by the differences between opening and closing balance sheets.

4.3 Valuation of financial instruments

Market valuation is applied for:

- financial instruments which are quoted on stock exchange (F.3 and F.5),
- unquoted securities other than shares issued by the State Treasury.

For unquoted shares and other equity, due to the lack of information on market price, book value is used.

4.4 Accrual accounting and recording of interest

Data used in compilation of financial accounts are in general on accrual basis.

Interests are recorded on accrual basis. In the case of reinvestment of accrued interests, interests accruing but not paid are treated as reinvested in the related financial instrument. In particular, it is applicable to AF.2, AF.3, and AF.4.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

Information for some units is available only with annual frequency. In these cases annual data is converted into quarterly data using indices derived from the quarterly information of units providing the similar activities.

4.5.2 Extrapolation methods

Information for some units is available with a delay longer than three months after the end of the quarter. In these cases extrapolation methods are used on the basis of either partial information received from the units belonging to the sector or the trend observed in the corresponding period of the previous years.

In cases where information is available only biannually, simple extrapolation is used to obtain data for the 3rd quarter.

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods⁹⁹

Consolidation is carried out according to ESA 95 rules (two steps of consolidation are applied). Consolidation in Polish QFAGG, similar as in annual financial accounts, is partly based on direct counterpart information and partly on assumptions and estimates. Direct information is obtained from budgetary reporting and balance sheets of general government units. Estimates are carried out on the basis of other data sources such as: information from counterpart units, money and banking statistics, balance of payments statistics, securities statistics (information from Ministry of Finance, quotations from stock exchange, stock exchange indices).

4.7 Conversions (euro, foreign currency)

Data used in compilation of QFAGG is denominated in PLN. No additional conversions are needed.

4.8 Revisions policy or coherence between provisional and final statistics

Regular revisions are carried out each year after the compilation of annual financial accounts. Metadata information on revisions is reported alongside with the first QFAGG transmission. Moreover, there are possible revisions which are not connected with annual financial accounts, but result from the changes of source data.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Financial and non-financial accounts are comparable. The difference between net lending/net borrowing in financial and non-financial accounts is systematically analysed. If adjustments are needed, they are made to F.7 as it is the least reliable part of financial accounts.

5.2 Coherence between quarterly and annual data

There is full consistency between quarterly and annual data.

⁹⁹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

5.3 Comparability with government debt¹⁰⁰

QFAGG data and Q-debt data are consistent.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG data are to be compiled as a subset of MUFA, and both datasets should be in future aligned.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		X			
between financial and non financial accounts		X			
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP					X

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			

¹⁰⁰ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

of counterpart data in the QFAGG dataset	X			
of the yield on assets and liabilities (property income / stocks)	X			

6.3 Major events monitoring

Information on major events as well as OEF is reported. The largest are the following:

6.3.1 Large transactions

No undocumented large movements in transactions are observed.

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	Eurostat	Normal operation - Issue of long-term bonds.	02Q03	30 878.00	3.82
				Normal operation - Increase of domestic government debt (issue of long-term bonds) as well as foreign debt (Brady bonds).	03Q01	24 231.00	2.87
				Normal operation - Issue of long-term domestic and foreign bonds.	05Q04	29 580.00	3.01
				Normal operation - Increase of domestic government debt (issue of long-term bonds) as well as foreign debt (foreign bonds).	06Q01	32 414.00	3.06
F.7	-	Assets	Eurostat	Normal operation - Decrease of central government other claims.	99Q01	-16 130.00	2.42

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

Large OEF are monitored and reported. Large OEF are well documented mainly on recent quarters. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	National authorities	Identification of new data source concerning the	02Q01	28 350.00	3.51

				foreign bonds.			
				Correction of erroneous treatment of foreign bonds in financial accounts for the previous year in order to avoid double accounting.	00Q01	-21 285.00	2.86
					00Q02	-15 972.00	2.15
					00Q03	-11 978.00	1.61
F.4	Long-Term	Liabilities	National authorities	Exchange rates revaluations in transactions between central government and ROW.	01Q04	-20 537.00	2.63
				Identification of new data source concerning ROW loans.	00Q03	12 186.00	1.64
F.5	-	Assets	National authorities	Market revaluations of quoted shares.	04Q03	14 792.00	1.60
				Market revaluations of quoted shares	04Q04	15 870.00	1.72
				Market revaluations of unquoted shares.	01Q03	13 448.00	1.73
F.7	-	Liabilities	National authorities	Other changes in volume caused by few factors: the differences between stocks at the beginning and at the end of the given year, the adjustment in order to avoid double accounting, changes in classification of some units.	03Q01	-30 782.00	3.65

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

PORTUGAL

I Institutional arrangements

1.1 Compiling institutions

The “BP” (BP) is the main body responsible for the methodology, compilation and dissemination of QFAGG. The NSI is responsible for the compilation of STPFS. An institutional agreement is presently in place, which covers several issues regarding public finance, including QFAGG and STPFS, to deal with both methodological and source data issues, notably with the aim of improving consistency between quarterly non-financial and financial accounts.

1.2 Publication policy

BP publishes in the monthly Statistical Bulletin, a chapter for National Financial Accounts with specific annual and quarterly tables for General Government (consolidated values). In this chapter F of the Statistical Bulletin, there are tables for both flows and stocks with a breakdown by the main financial instruments (and, also, by assets and liabilities). Regarding the quarterly tables, stocks start on the 4th quarter of 1997 and flows start on the 1st quarter of 1998.

Publication titles: Chapter F – “National Financial Accounts” of the Statistical Bulletin

Internet addresses: http://www.bportugal.pt/stats/html/be_indf_e.htm

There is also a chapter for the General Government Financing (liabilities net of assets). In this chapter, data is published regarding accumulated flows (since the beginning of the year) for the general government and for the sub-sectors (on a monthly basis). Please note that this information does not cover all instruments of the financial accounts, namely, other accounts receivable / payable (AF.7 instrument) and the assets related to shares and other equity issued by residents.

The main purpose of this monthly data for the government sector is to give a fast access to data already available even though it does not cover the complete set of accounts.

As the data are published on a net basis (liabilities minus assets), the question of consolidation does not arise, because assets of intra and inter transactions cancel out with the corresponding liabilities (in the same instrument).

Publication titles: Chapter E – “General Government Financing” of the Statistical Bulletin

Internet addresses: http://www.bportugal.pt/stats/html/be_inde_e.htm

1.3 Publication timeliness

The quarterly data of chapter F are updated 110 days after the end of the reference period.

For chapter E, the monthly data are published 15 working days (in the internet) after the end-of-month (the data refer to the month t-2).

II Statistical sources

The statistical sources used to compile QFAGG data are: Balance of Payments (BoP), Money and Banking (MBS), Securities Statistics (SS) and data from direct sources.

2.0 Source Data

2.0.1 - Statistics without counterpart sector information¹⁰¹

Table 1.1

No information because “Not applicable”

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	IN	IN (S)	IN	IN (S)	n.a.	MO	(IN)	ON (S)	IN	n.a.	MO
	Stocks	IN	IN(S)	IN	IN (S)	n.a.	MO	(IN)	ON (S)	IN	n.a.	MO
CG bodies	Transactions	IN	IN(S)	IN	IN (S)	n.a.	MO	n.a.	ON (S)	n.a.	n.a.	MO
	Stocks	IN	IN(S)	IN	IN(S)	n.a.	MO	n.a.	ON (S)	n.a.	n.a.	MO
Local Government												
Transactions		IN	MO (S)	IN	MO (S)	n.a.	MO	n.a.	ON (S)	n.a.	n.a.	MO
Stocks		IN	MO (S)	IN	MO (S)	n.a.	MO	n.a.	ON (S)	n.a.	n.a.	MO
Social Security Funds												
Transactions		IN	MO (S)	IN	MO (S)	n.a.	MO	n.a.	ON (S)	n.a.	n.a.	MO
Stocks		IN	MO (S)	IN	MO (S)	n.a.	MO	n.a.	ON (S)	n.a.	n.a.	MO

¹⁰¹ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

2.0.2- Statistics with counterpart information

Please see table 1.2.

2.1 Direct sources

Data on deposits (F/AF.2) are mostly compiled from MBS (for the financial resident sector) and from BoP (for the non-resident sector). However, for the case of saving certificates (classified as deposit liabilities) a direct source is used. There is also a unit of the central government (belonging to “The State”) which has deposit liabilities and loan assets, which is also a direct source.

Data on debt securities (F/AF.3) is based on SS (issuances component), whose main source for GG is the Instituto de Gestão do Crédito Público (IGCP) – the public debt management institute. For the case of F/AF.3 liabilities, there is also additional data from direct sources (and from stock markets) which allows a cross check with SS. The counterpart sector breakdown of securities liabilities is based on data from MBS, BoP and SS (portfolio component).

Regarding the case of F/AF.3 assets, data of SS are used for the resident sector and data of BoP are used for the non-resident sector. These data are also cross-checked with direct sources and, in some cases (especially for data reported from units of the social security funds sub-sector), the direct sources are used.

Accrued interest recorded on the F/AF.3 liabilities is obtained from a direct source (IGCP).

For holdings on equity and other participations (F/AF.5), the BoP is used for the non-resident sector counterpart, direct sources and SS (portfolio) are used for the resident sector (and also to make cross checks with the BoP data).

Data on other payables / receivables (F/AF.7) are based on data collected from the Monthly Bulletin published by the central government (namely, the “Direcção-Geral do Orçamento” or Budget General Directorate) and, also, on data collected from direct sources by the National Statistics Institute (INE) on the basis of the close cooperation between the INE and the BP.

For the following items, a list of the direct sources used is presented for each sub-sector.

2.1.1 Central government

- Instituto de Gestão do Crédito Público (IGCP): data on amounts outstanding, issues and redemptions of central government debt which are used for quality checks; data on accrued interest of debt securities; and, also, data on equity injections and privatisations;
- Direcção Geral do Tesouro (DGT): equity and other participations of the Treasury (Central Government);
- Direcção Geral do Orçamento (DGO): equity and other participations of the Autonomous Services and Funds (Central Government);

2.1.2 State government

No applicable.

2.1.3 Local government

- Tribunal de Contas (TC): equity and other participations of the Regional Government;
- Inspeção Geral das Finanças (IGF): equity and other participations of the Local Government;

2.1.4 Social security funds

- Instituto de Gestão Financeira da Segurança Social (IGFSS): Social Security balance sheets used as a priority source for the F/AF.3 and F/AF.5 vis-à-vis the resident sector;
- Instituto de Gestão dos Fundos de Capitalização da Segurança Social (IGFCSS) and Caixa Geral de Aposentações (CGA): securities holdings used as a priority source for the F/AF.3 and F/AF.5 vis-à-vis the resident sector;

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Frequency: monthly; Timeliness: 15th working day after the end-of-month.

Mainly used as an indirect source for F.2 and F.4 transactions and positions vis-à-vis MFI's and also between central government sub-sector and other general government sub-sectors (or other resident sectors).

2.2.2 Balance of payments statistics

Frequency: monthly; Timeliness: 6th week after the end-of-month.

For financial accounts vis-à-vis the rest of the world, BoP. statistics are the main source. However, quality check controls are made between BoP statistics and other sources (direct or indirect).

2.2.3 Securities issues statistics

Frequency: monthly; Timeliness: 5th week after the end-of-month.

For the liabilities side of F.3 instrument, these statistics are used as a priority source.

In the SS, there are also statistics for securities held by residents which are used for the F.5 instrument (assets).

2.2.4 Other financial intermediaries statistics

Frequency: quarterly; Timeliness: two months after the end-of-month.

Mainly used as an indirect source for F.4 transactions and positions vis-à-vis OFI's..

2.2.5 Non-financial corporations balance sheets

Used for checking data collected from indirect sources. Frequency is usually annual and timeliness is usually large (for example, 1 year lag for data corresponding to a given year).

2.3 Other financial data

News collected from internet and newspapers are also used for checking purposes.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The classification of units under the general government is made according to the ESA95 and the ESA95 Manual on Government Deficit and Debt, and is harmonised with the INE.

3.2 Coverage of financial instruments

All instruments are covered. For financial derivatives (F.34), only transactions and positions vis-à-vis non-residents are reported.

3.3 Breakdown by original maturity

The breakdown by original maturity (distinction between short and long term) required for F.3 and F.4 instruments is reported accordingly.

3.4 Counterpart information for the sub-sectors

All counterpart information is being reported. Mainly, the sources used are indirect sources mentioned in item 2.2. However, for the case of Social Security Funds there is also counterpart information for direct sources.

3.4.1 Central government

3.4.2 State government

3.4.3 Local government

3.4.4 Social security funds

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

“Inter sub-sectors” transactions (i.e., between sub-sectors of the general government) are collected and included in the non-consolidated data for sub-sectors. For the central government, “intra sub-sectors” transactions (i.e., between units of a given sub-sector) are also collected and are included in the non-consolidated data for sub-sectors.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

The direct and indirect sources used to compile QFAGG guarantee an almost complete coverage of transactions between general government and other sectors (resident and non-resident).

3.7 Breaks in time series (former comparability over time)

There are no breaks in the reported time series.

IV Current compilation methods

4.1 Stocks and flows

MBS provides financial accounts with positions and reclassifications on deposits (F/AF.2) and loans (F/AF.4) vis-à-vis MFI and OFI. **Flows** derived from the MBS stocks are a very good proxy for financial transactions, since data series on reclassifications and changes in price are also available.

BoP provides financial accounts with both **stocks and flows** vis-à-vis the non-resident sector.

Direct sources used to compile equity and other participations (F/AF.5) provide stocks and, in some cases, also flows. In the case of equity assets quoted in the markets, the quotation prices are used in order to calculate stocks at market prices and price changes.

In the case of debt securities (F/AF.3), **stocks and flows** are both provided by SS. However, for the social security funds sub-sector where direct sources are used to compile F/AF.3 assets vis-à-vis the resident sector, only stocks are available. Flows are estimated by deducting price changes (which are calculated by applying a price index to positions) from stocks.

In the case of other payables / receivables (F/AF.7), stocks are calculated by accumulation of flows.

4.1.0 Information from stocks or flows ¹⁰²

Table 3.1 Provisional estimate

not applicable

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS/FF	FS	FS/FF	FS	FF	FS	FF	FS	FS	FF
	Stocks	SS	SS	SS	SS	SS	SF	SS	SS	SS	SS	SF
CG bodies	Transactions	FS	FS/FF	FS	FS/FF	FS	FF	FS	FF	FS	FS	FF
	Stocks	SS	SS	SS	SS	SS	SF	SS	SS	SS	SS	SF
Local Government												
Transactions		FS	FS/FF	FS	FS/FF	FS	FF	FS	FF	FS	FS	FF
Stocks		SS	SS	SS	SS	SS	SF	SS	SS	SS	SS	SF
Social Security Funds												
Transactions		FS	FS/FF	FS	FS/FF	FS	FF	FS	FF	FS	FS	FF
Stocks		SS	SS	SS	SS	SS	SF	SS	SS	SS	SS	SF

Comments:

Transactions on securities (including shares) are derived from stocks data, a correction is made to changes in prices, which are attributed to other changes (nominal holding gains and losses).

¹⁰² Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

4.1.1 Financial transactions

Please see the general point 4.1 Stocks and flows;

4.1.2 Ensuring consistency between stocks and flows

No integrated source data exists or is used. However many sources (DEFIJK level 3) are used for yearly (EFIJK level 3) and quarterly (DEFIJK level 3) data. Social security main unit is close to offer an integrated source data for quarterly data with B1 and EFIJK level 3.

The consistency between stocks and flows is usually assured because the production of stocks and flows is made at the same time and the consistency between stocks and flows is analysed during the process of data production.

4.1.3 Revaluations

For indirect sources it is possible to isolate the revaluations phenomena:

- BOP/IIP: In the IIP there is information about exchange and price variations;
- MBS: There is information about price and exchange variations;

Securities statistics: The exchange and price effects are also known.

4.2 Other changes in the volume of assets

For indirect sources it is possible to isolate the other changes phenomena:

- BOP/IIP: In the IIP there is information about other adjustments;
- MBS: There is information about reclassifications;
- Securities statistics: There is a register across time of the institutional sector of the units that are involved in these type of statistics; so, the changes of institutional sector are known and are recorded as other changes in volume;

4.3 Valuation of financial instruments

The market valuation principle is commonly used (i.e., for quoted securities, it is used the market price for valuation of stocks; flows are normally valued at market prices). However, when data from some indirect sources, like MBS and OFI, are used, the valuation of stocks is based on the respective accounting principles.

4.4 Accrual accounting and recording of interest

In the financial accounts, accruals are recorded according to ESA95.

For securities other than shares, data for interest accrued and interest paid are sent by IGCP and are recorded as transactions in F.3 (with a breakdown by original maturity of securities). For deposits and

loans, accruals are mainly recorded in the F.7 instrument (with exception of saving certificates and some other specific cases of deposits, which are recorded in the underlying instrument).

4.5 Interpolation, extrapolation, and other estimation methods

For information available only on yearly basis, quarterly stocks are estimated by simple or linear interpolation and extrapolation.

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods¹⁰³

The consolidation methods used are coherent with ESA95.

4.7 Conversions (euro, foreign currency)

4.8 Revisions policy or coherence between provisional and final statistics

QFAGG historical data are revised according to the annual financial accounts revision policy (June transmission) and the EDP notification revisions (March and September transmissions). For current quarters, QFAGG are revised each time revisions on data provided by direct and indirect sources occur.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

At the present moment, there is a close cooperation between BP and INE in order to compile data on the F.7 instrument and also to make a vertical balancing involving non-financial and financial accounts. As a result of this vertical balancing, the net borrowing / net lending (B.9) of financial and non-financial accounts is completely harmonized.

¹⁰³ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

5.2 Coherence between quarterly and annual data

Quarterly and annual data fit most of the time. When differences are observed, they result from vintages.

5.3 Comparability with government debt¹⁰⁴

QFAGG data and Q-debt data provided for the instruments “currency and deposits”, “short-term securities other than shares” and “long-term securities other than shares” are consistent.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

As both statistics (MUFA and QFAGG) are compiled by the same statistical unit the comparability is very good..

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

¹⁰⁴ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks			X		
of growth rates of flows				X	
of counterpart data in the QFAGG dataset			X		
of the yield on assets and liabilities (property income / stocks)			X		

6.3 Major events monitoring

Information on major events and OEF is provided.

6.3.1 Large transactions

The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	Eurostat	Reduction of deposits vis-à-vis MFI	03Q02	-3 794.29	2.74
F.33	Short-Term	Liabilities	Eurostat	Net issue of Treasury Bills and Euro Commercial Paper	03Q03	3 578.52	2.58
	Long-Term	Liabilities	Eurostat	Normal operation (CG Net issue of long-term securities) + SSF Holdings of CG Long-term Securities other than Shares (Inter-subsector consolidation element) + Accruals of Long-term Securities other than Shares	05Q03	4 436.36	2.98

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

Large OEF are regularly monitored and reported. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	Eurostat	Decrease in the market value of MFI Shares and Other Equity	99Q03	2 015.55	1.77
				Decrease in the market value of MFI Shares and Other Equity	99Q04	-3 284.45	2.88

**Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).*

ROMANIA

I Institutional arrangements

1.1 Compiling institutions

A Protocol for the co-operation among the 'Ministerul Economiei și Finanțelor', the 'Institutul Național de Statistică', the 'Banca Națională a României', and the 'Comisia Națională de Prognostic' (National Commission of Prognosis) regarding the development of the National System for Government Finance Statistics was signed in 2004 and working groups have been set up to discuss methodological issues and answer to questions raised by specific measures or transactions envisaged by the government.

Under this framework, the Banca Națională a României (BNR) has the responsibility for the development of the methodology, compilation and dissemination of the QFAGG. These accounts are compiled in the Monetary and Financial Division (Statistics Department) and are integrated in the general framework of the Financial Accounts of Romania. However in certain aspects, including classification and the links between financial and non-financial accounts, there is close co-ordination with the statistical office (the Institutul Național de Statistică), which compiles the Romanian Non-financial Accounts and the Ministerul Economiei și Finanțelor, which compiles general government finance statistics.

The financial and non-financial accounts of General Government are compiled by two units working independently, following a different calendar and transmission program, with a small group of people. However, regular contacts take place.

1.2 Publication policy

Short comments and summary tables and graphs describing the developments during the previous quarter are published on the BNR's website.

Data on QFAGG are in line with the Regulation and sub-sectors have been identified separately since January 2006.

The Website is in Romanian and English at the Internet address: www.bnro.ro

A Paper Publication is not available.

1.3 Publication timeliness

A decision has to be made on timeliness.

II Statistical sources

2.0 Source Data

Source data are only or mostly based on direct information for central government, social security funds and local government. There are direct information from quarterly financial statements and monthly reports.

The sources used are the same for the annual and quarterly financial accounts (the BNR compiles both quarterly and annual financial accounts) and, in general, sector and sub-sectors have the same sources of information.

Summarizing, these sources, their frequency and timeliness are:

FINANCIAL ASSETS:

- Currency and deposits (F.2): Money and banking statistics, with monthly frequency
- Securities other than shares (F.33): Securities issues statistics and budgetary information, the frequency is monthly and the delay is no later than one month.
- Loans (F.4): Budgetary information and banking statistics with quarterly frequency for the central government, local government and social security funds with a slight delay, no later than one month.
- Shares and other equity (F.5): Trade Registry, budgetary and banking system information for stocks and transactions as well. The frequency is annual for all sub-sectors with six months of delay.
- Other accounts receivable (F.7): Budgetary information, the frequency is quarterly for all sub-sectors with one month of delay.

LIABILITIES:

- Currency and deposits (F.2): Information from BNR cross-checked with budgetary information, the frequency is monthly and the delay one month.
- Securities other than shares (F.33): Securities issues statistics (for the nominal values this information is cross-checked with budgetary information). The frequency is quarterly and the delay six months.
- Loans (F.4): Information from BNR (Balance of Payments) cross-checked with budgetary information. Both statistics are compiled on a quarterly basis with a delay of one month
- Other accounts payable (F.7): Budgetary information, the frequency is quarterly for the all sub-sectors with one month of delay.

2.0.1 - Statistics without counterpart sector information¹⁰⁵

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
CG bodies	Transactions	ON	ON	ON	MO		ON	ON	ON	ON		ON
	Stocks	ON	ON	ON	MO		ON	ON	ON	ON		ON
State Government												
Transactions												
Stocks												
Local Government												
Transactions		ON	ON	ON	MO		ON	ON	ON	ON		NO
Stocks		ON	ON	ON	MO		ON	ON	ON	ON		NO
Social Security Funds												
Transactions		ON	ON	ON	MO		ON	ON	ON	ON		ON
Stocks		ON	ON	ON	MO		ON	ON	ON	ON		ON

Table 1.2 Final estimate

Same as Table 1.1.

Comments: The same sources and methodology are used for provisional and final data. Methods of extrapolation or estimates are done in cases which there are no available data for the last quarter. When only annual data are available, extrapolation is used for the quarter(s) of the current year. Also a simple interpolation is used for the quarters within the year.

Comments on final : if stocks are derived from flows based on direct information, without applying revaluation effects or other changes in volume (OEF), then stocks are deemed based on direct sources (ON). These procedure were used for F3 and F5. Stocks and transactions on F7 are partly estimated based on direct information.

¹⁰⁵ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
CG bodies	Transactions	ON	ON	MO	ON
	Stocks	ON	ON	MO	ON
Social Security Funds					
Transactions		ON	ON	MO	ON
Stocks		ON	ON	MO	ON

Table 2.2 Final estimate

Same as Table 1.1.

2.1 Direct sources

Data for sectors S.1311, S.1313 and S.1314 are available from direct sources;

2.1.1 Central government

The Treasury balance sheet and balance sheets of the public institutions are the main source of information. Direct information on all assets and liabilities is generally available on a quarterly basis with a time lag of one month. These data do not cover all units of the central government sub-sector (according to ESA 95). Those units not covered by the Treasury are reported by the balance sheets of the public institutions. The data for these units are collected, from balance sheets of the public institutions which offer data with a period of two or three months delay.

2.1.2 State government

Not applicable

2.1.3 Local government

Data for local government are collected from balance sheets of the local institutions which offer data with a period of two or three months delay. Data are cross-checked with the information from the Treasury and balance sheet items of the banks.

2.1.4 Social security funds

The liabilities of the social security funds have been taken over by the central government. Information concerning these liabilities is obtained from the Treasury (Ministerul Economiei și Finanțelor) on a monthly basis with a time lag of one month. Social security funds provide, on a quarterly basis, information about their financial assets with a time lag of two to three months.

2.2 Indirect sources

2.2.1 Money and banking statistics

The main indirect source of information for the compilation of the financial accounts of the general government by subsectors is money and banking statistics. This information is available on a monthly basis with a time-lag of one month and concerns deposits (AF.2) and loans (AF.4). Data concerning holdings of shares and other equity (AF.5) are provided by financial intermediaries, by Bursa de Valori București (Bucharest Stock Exchange) for those which are quoted, by Oficiul National al Registrului Comertului (National Trade Register Office) and the balance sheets of the non-financial corporations for those which are not quoted and other equity.

2.2.2 Balance of payments statistics

Balance of payments statistics is used for the cross-checking of the transactions with the rest of the world. International investment position is used in the compilation of stocks. It also supplies the links among stocks, flows, changes in prices, other adjustments and changes in the exchange rate.

2.2.3 Securities issues statistics

Securities issues statistics is used for the compilation of the market value of the securities.

2.2.4 Other financial intermediaries statistics

Other financial intermediaries' statistics is used for compiling of the stock of securities issued by general government and held by other financial intermediaries.

2.2.5 Non-financial corporations balance sheets

Non-financial corporations balance sheets are used for the compilation of the shares and other equity held by general government.

2.3 Other financial data

For certain instruments some other administrative records have been used.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The delimitation of the general government sector is the responsibility of Institutul Național de Statistică and consultations take place with the Ministerul Economiei și Finanțelor and Banca Națională a României. A group composed of experts from the three institutions involved in government finance statistics updates the list of the units belonging to the different sub-sectors of general government. This list is available on the website of the Banca Națională a României <http://www.bnro.ro> (the Romanian version only) and it is updated whenever is needed.

Borderline cases were resolved by applying the principles of the ESA95 Manual on government deficit and debt.

3.2 Coverage of financial instruments

For liabilities, the financial instruments currency and deposits (AF.2), securities other than shares, excluding financial derivatives (AF.33), loans (AF.4) are fully covered in the financial accounts of the general government. Other accounts receivable/payable (AF.7) is widely covered.

3.3 Breakdown by original maturity

There is information from different sources (balance sheet of the banks and of the Treasury, balance of payments, IIP), which are sufficiently detailed to accomplish the breakdown by original maturity between short and long term.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

The counterpart information requested by the Regulation on QFAGG is covered. The information is obtained from central government's direct source described above.

3.4.2 State government

Not applicable

3.4.3 Local government

The counterpart information requested by the Regulation on quarterly financial accounts for local government is fully covered. The information is obtained from direct sources.

3.4.4 Social security funds

The counterpart information requested by the Regulation on quarterly financial accounts for social security funds is fully covered. The information is obtained from social security funds' direct source described above.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Coverage is complete since the financial accounts system (in which the financial accounts for general government and sub-sectors are integrated) is based on the systematic identification of the counterpart for each transaction, each transaction or stock being identified in three dimensions (the financial instrument, the debtor sector and the creditor sector).

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

The Banca Națională a României compiles the full set of Quarterly Financial Accounts for the general government. The compilation process uses basic information for all instruments and sectors classified in a matrix whose rows and columns correspond to standardized financial instruments categories and institutional sectors and sub-sectors. This matrix contains counterpart information for each instrument for all sectors and sub-sectors.

3.7 Breaks in time series (former comparability over time)

There are breaks in time series in 2000Q1-2005Q4 for all the sub-sectors of general government. The compilation of the quarterly financial accounts by sub-sectors of general government started only in 2006.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ¹⁰⁶

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS/ FF	FS/ FF	FS/ FF	FS		FF/ FS		FS/ FF	FS/ FF		FF/ FS
	Stocks	SS/S F	SS/S F	SS/S F	SS		SF/ SS		SS	SS		SF
CG bodies	Transactions	FS	FS/ FF	FS	FS/ FF		FF	FS	FS	FS		FF/ FS
	Stocks	SS	SS	SS	SS		SF	SS	SS	SS		SF/ SS
Local Government												
Transactions		FS	FS/ FF	FS	FS		FF		FS	FS		FE
Stocks		SS	SS	SS	SS		SF		SS	SS		SF
Social Security Funds												
Transactions		FS	FS/ FF	FS	FS		FF		FS	FS		FF/ FS
Stocks		SS	SS	SS	SS		SF		SS	SS		SF/ SS

Comments: same as for sources.

¹⁰⁶ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).. Whenever there are different cases applicable across units and instruments, indication for mostly (MO) or for in part (IN) is added.

Transactions are based on stock information for most categories, except securities assets and payables/receivables based in part on stock and in part on flow information. Stocks of payables/receivables are based in part on flow information.

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS/FF	FS/FF	FS/FF	FS/FF		FF(MO)	FS/FF	FS/FF	FS/FF		FF(MO)
	Stocks	SS	SS	SS	SS		SF(MO)	SS	SS	SS		SF(MO)
CG bodies	Transactions	FS/FF	FS/FF	FS/FF	FS/FF		FF(MO)	FS	FS/FF	FS/FF		FF(MO)
	Stocks	SS	SS	SS	SS		SF	SS	SS	SS		SF/SS
Local Government												
Transactions		FS/FF	FS/FF	FS/FF	FS		FF(MO)	FS/F	FS/FF	FS/FF		FF(MO)
Stocks		SS	SS	SS	SS		SF(MO)	SS	SS/SF	SS/SF		SF(MO)
Social Security Funds												
Transactions		FS	FS(MO)	FS	FS		FF(MO)	FS/F	FS/FF	FS/FF		FF(MO)
Stocks		SS	SS	SS	SS		SF(MO)	SS	SS/SF	SS/SF		SF(MO)

Comments: F34 only available for transactions (no recording of stocks). For F51, transactions are only recorded when privatizations or capital injections occur.

4.1.1 Financial transactions

The financial transactions are mostly derived from balance sheet data (see tables above). For F51, transactions are only recorded when privatizations or capital injections occur.

4.1.2 Ensuring consistency between stocks and flows

Romania has an integrated data system for quarterly and annual accounts. The source data are the same for the annual and quarterly financial accounts. Most of the information required is available within the

time delay to compile the quarterly financial accounts. Some information is only available on an annual basis, estimates are done by extrapolating data from the previous year.

For financial accounts, inventories (E1) for Central government are for example a list of loans granted by the CG or granted to CG identifying the counterpart unit.

For data in euro, flows are equal to changes in balance sheet items taking explicitly into account other changes in volume and revaluation effects when identified for quoted shares and mutual funds shares held.

4.1.3 Revaluations

Until now, the stocks of securities other than shares denominated in domestic currency (RON) are recorded on nominal value, thus no revaluation effect is necessary to ensure consistency between stocks and flows.

For data in foreign currencies, the flows are also calculated by comparison between the balance sheet at the beginning and at the end of the period, with an adjustment for the exchange rate fluctuations.

4.2 Other changes in the volume of assets

Where known, these are recorded.

4.3 Valuation of financial instruments

Market value is used for quoted shares AF.511 and estimates based on own funds at book value are used to evaluate unquoted shares AF.512 and other equity AF.513.

4.4 Accruals accounting & recording of interest

The accruals principle is respected by using the financial instrument *Other accounts receivable/payable*. Calculations are done in collaboration with the National Accounts Division from INS (the unit which is responsible for the compilation of the non-financial accounts), in order to ensure the consistency between non-financial and financial accounts. The difference between interest paid and interest accrued is recorded under this financial instrument. Due to the data sources used, the debtor approach should be the concept used for recording interest.

4.5 Interpolation, extrapolation, and other estimation methods

For the information available only on yearly basis, quarterly stocks are estimated by simple interpolation and extrapolation.

4.5.1 Interpolation methods

More than 95% of the information necessary to compile the general government financial accounts is at least available on a quarterly basis. For information only available on an annual basis, the quarterly stocks are estimated by interpolation.

4.5.2 Extrapolation methods

Some information available with a delay of more than three months must, obviously, be extrapolated. These extrapolations are done with different econometric methods and are replaced as soon as the first provisional information is available.

4.5.3 Other methods - adjustment of source data for compilation

A lot of procedures are used for the compilation of data for which there are not direct sources with a quarterly frequency i.e. for the valuation of unquoted shares.

4.6 Consolidation methods¹⁰⁷

The consolidation methods applied in the quarterly financial accounts of the general government are fully consistent with the method described in the Manual on Sources and Methods for the compilation of ESA'95 Financial Accounts. On this basis:

- consolidated data at the level of any general government sub-sector means that the “intra” transactions and positions are eliminated;
- non-consolidated data at the level of the general government sector means that the “intra sub-sectors” and the “inter sub-sectors” transactions and positions are included in the data;
- consolidated data at the level of the general government sector means that the “intra sub-sectors” and the “inter sub-sectors” transactions and positions are eliminated.

4.7 Conversions (euro, foreign currency)

The financial accounts are transmitted in millions of RON and no explicit indication is given for any sub-category of the transactions or balance sheets whose original series are expressed in foreign currencies. Naturally the extent to which the various transactions/balance sheets are expressed in any particular currency can be determined from the available database information.

¹⁰⁷ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.8 Revisions policy or coherence between provisional and final statistics

The current dissemination provides revisions of previously disseminated data. A revision policy has been established to allow more stable series and it is intended that, when the accounts for each quarter are estimated, the accounts of at least the eight preceding quarters and their corresponding years will be revised. This regular revision procedure does not rule out exceptional revisions when warranted by the circumstances.

In each quarterly transmission, revisions are possible on past data. In fact, there are two types of revisions:

- Revisions of type 1 generally relate to improvements of the methodology or to new Eurostat recommendations in the framework of the Excessive Deficit Procedure. In most cases, they modify the series for the whole period.
- Revisions of type 2 are explained by updates of the data extrapolated.

Metadata on revisions are regularly provided.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Quarterly financial accounts data are generally comparable with quarterly non-financial accounts data. However, discrepancies can appear. The M.E.F, B.N.R. and I.N.S are concerned about the phenomenon and are working together in order to decrease the discrepancies.

There is no explicit policy to align net lending/net borrowing (B9) and net financial transactions (B9F), nor a maximum target value for statistical discrepancies. However, efforts are made to investigate the source of discrepancies and to reduce them. The discrepancy between B9 and B9F is used as a check on the overall quality of the accounts. This check of consistency is generally done twice a year at the time of the notification in the framework of the Excessive Deficit Procedure on an annual basis, but during the year useful information is regularly exchanged between the National Accounts Division from National Statistics Institute and the Financial Accounts Division from the National Bank. Investigations are carried out when discrepancies are deemed too large or tend to increase. Recently, most of the efforts to reduce the discrepancies have been linked with better estimations of the components of “*other accounts receivable/payable*”. Although, checks are conducted on annual data, methodological improvements are done on the quarterly financial accounts compilation system since annual and quarterly data are derived from the same database.

5.2 Coherence between quarterly and annual data

Annual financial accounts are based on quarterly financial accounts, which ensure full consistency of both statistics. When differences are observed for some instruments, they are due to difference in vintages.

5.3 Comparability with government debt¹⁰⁸

QFAGG data are mainly consistent with Q-debt data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

Stocks of loans and deposits recorded for GG are compared with stocks recorded in the balance sheets of MFIs (banks). Some differences still have to be investigated. Comparison with international investment position (IIP) is easier, and data from BOP should be used to compile financial accounts for GG. Complete consistency with MUFA and table 6 and 7 of Eurostat transmission program is ensured, because the database is the same for MUFA, annual financial accounts and QFAGG. Although the three databases are coherent after 110 days (time lag necessary to compile and balance the financial accounts for the whole economy), they are not coherent at the time of QFAGG delivery (after 90 days).

VI Consistency and plausibility checks on QFAGG data

6.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts ¹⁰⁹	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

¹⁰⁸ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

¹⁰⁹ As the annual financial accounts are derived from the quarterly financial accounts, and the quarterly non financial accounts are benchmarked on the annual accounts, once benchmarked, the annual discrepancy is equal to the sum of quarterly discrepancies.

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)		X			

6.3 Major events monitoring

Information on major events is reported. Large transactions and large “Other Economic Flows” (OEF) are also routinely monitored.

6.3.1 Large transactions

Explanations as well as provision of underlying metadata are systematically provided according to the agreed report template. The largest transaction is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	State Treasury deposits with BNR and public institutions deposits with banks.	07Q01	5 304.64	1.32

**Values are in millions of national currency. There are no transactions above the threshold (2.4 %).*

6.3.2 Other economic flows (OEF)

Explanations as well as provision of underlying metadata are systematically provided according to the agreed report template. The largest other economic flows are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Revaluation of government foreign exchange deposits with banks due to exchange	05Q01	6 706.00	2.33

				rate developments was retreated and redistributed between quarters.			
					05Q04	-7 606.00	2.64
F.5	-	Assets	National authorities	Revaluation of quoted shares due to market developments was retreated and redistributed between quarters.	02Q01	-2 723.00	1.80
					02Q04	5 118.00	3.38
					03Q04	4 702.00	2.38
					04Q03	7 226.00	2.93
					04Q04	-7 220.00	2.93
					05Q04	-7 802.00	2.71

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

SLOVENIA

I Institutional arrangements

1.1 Compiling institutions

In July 2004 the Statistical Office of the Republic of Slovenia, the Bank of Slovenia and the Ministry of Finance have signed Memorandum of understanding in the field of macroeconomics and financial statistics. In this Memorandum it has been defined that in the transition period up to 2006 the responsibility for preparing the data for first reporting is shared by the Statistical Office of the Republic of Slovenia, the Bank of Slovenia and the Ministry of Finance. In July 2006 these three institutions have signed an addendum in which it has been defined that from 2007 Bank of Slovenia is responsible for preparing QFAGG.

1.2 Publication policy

Consolidated and non-consolidated quarterly data are published for S.13, S.1311, S.1313, and S.1314.

All data are published at the internet address: www.bsi.si

1.3 Publication timeliness

Data are published within 120 days after the end of each quarter

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information¹¹⁰

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	IN	IN	MO	IN	NO	IN		MO	MO		IN
	Stocks	IN	IN	MO	IN	NO	IN		MO	MO		IN
CG bodies	Transactions	IN	IN	MO	IN	NO	IN		MO	MO		IN
	Stocks	IN	IN	MO	IN	NO	IN		MO	MO		IN
Local Government												
Transactions		MNO	NO(S)	MO	IN	NO	MO		ON	MO		MO
Stocks		MNO	NO(S)	MO	IN	NO	MO		ON	MO		MO
Social Security Funds												
Transactions		MO	MO	MO	MO	NO	MO			ON		MO
Stocks		MO	MO	MO	MO	NO	MO			ON		MO

¹¹⁰ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	IN	IN	MO	IN	NO	IN		MO	MO		IN
	Stocks	IN	IN	MO	IN	NO	IN		MO	MO		IN
CG bodies	Transactions	IN	IN	MO	IN	NO	IN		MO	MO		IN
	Stocks	IN	IN	MO	IN	NO	IN		MO	MO		IN
Local Government												
Transactions		MNO	NO(S)	MO	IN	NO	MO		ON	MO		MO
Stocks		MNO	NO(S)	MO	IN	NO	MO		ON	MO		MO
Social Security Funds												
Transactions		MO	MO	MO	MO	NO	MO			ON		MO
Stocks		MO	MO	MO	MO	NO	MO			ON		MO

2.0.2- Statistics with counterpart information

No information provided for Table 2.1 & 2.2.

2.1 Direct sources

Bank of Slovenia has introduced a direct reporting system on quarterly basis and reported data by individual government institutional units is used for QFAGG. Beside directly reported data, data from Balance of Payment statistics, Securities statistics, Money and banking statistics and other sources (different publications) are used.

2.1.1 Central government

Direct information is mostly used for loans (assets and liabilities) and for securities (liabilities); direct information is only in part used for central government's assets (deposits, securities, equity, and receivable) as well as for payable.

2.1.2 State government

Not applicable.

2.1.3 Local government

Direct information is mostly used for loans (assets and liabilities), receivable and payable and not used for local government deposits and securities assets.

2.1.4 Social security funds

Direct information is the only or main source data for social security funds.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Not used

2.2.2 Balance of payments statistics

Not used

2.2.3 Securities issues statistics

Not used

2.2.4 Other financial intermediaries statistics

Not used

2.3 Other financial data

III Data coverage

3.1 Delimitation of general government (sector boundary)

Delimitation of general government sector in national accounts is in line with ESA 95 and is done at unit level.

3.2 Coverage of financial instruments

All categories which have to be transmitted under the Regulation are covered.

3.3 Breakdown by original maturity

The breakdown for short-term and long-term securities as well as short- and long-term loans is available.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

The counterpart information requested by the Regulation is fully covered. The information is obtained from direct sources.

3.4.2 State government

Not applicable.

3.4.3 Local government

3.4.4 Social security funds

The counterpart information requested by the Regulation is fully covered. The information is obtained from direct sources.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Coverage is complete since the quarterly financial accounts system is based on identification of the counterpart party for each transaction. Each transaction or stock is identified by three dimensions (the financial instrument, the debtor sector and the creditor sector).

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Coverage is complete since the quarterly financial accounts system is based on identification of the counterpart party for each transaction. Each transaction or stock is identified by three dimensions (the financial instrument, the debtor sector and the creditor sector).

3.7 Breaks in time series (former comparability over time)

IV Current compilation methods

First stage is analysis of data received from individual units (comparisons with data from annual accounting reports, comparisons with previous financial accounts data from reports). Correction of data in the data base is carried out in case of the identified errors. Then FA tables are built up for each sector with primary data. Formation of FA tables for each sector with non-consolidated data follows. The information from one sector is compared with information from counterpart sector; the primary data is adjusted with secondary sources where necessary. The most reliable value is chosen and allocated to both sides (to one sector as a financial asset and to other as a liability). Finally the formation of FA tables on consolidated basis is done: consolidation on sub-sector level and consolidation on sector level.

4.1 Stocks and flows

4.1.0 Information from stocks or flows ¹¹¹

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
CG bodies	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Local Government												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Social Security Funds												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS

¹¹¹ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
CG bodies	Transactions	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
	Stocks	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Local Government												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
Social Security Funds												
Transactions		FS	FS	FS	FS	FS	FS	FS	FS	FS	FS	FS
Stocks		SS	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS

4.1.1 Financial transactions

For financial transactions we use data from direct reporting and for some instruments we also use estimations (indexes).

4.1.2 Ensuring consistency between stocks and flows

Consistency between stocks and flows for each of the financial instruments is ensured by the following accounting identity:

$$S_0 + TR_1 + R_1 = S_1$$

S_0 and S_1 are the outstanding stocks at the beginning and end of the period, TR_1 are financial transactions of the period, R_1 are the revaluations and other changes.

4.1.3 Revaluations

The financial instruments are valued at market price. For checking revaluations changes we use some estimates (indexes).

4.2 Other changes in the volume of assets

Information about revaluation changes are given only as a whole, that means that no information is provided specifying if due to changes in market price or exchange rate and reclassification of institutional units or instruments.

4.3 Valuation of financial instruments

Market valuation principle is taken into account for all instruments when applicable, the items which are most affected by this type of valuation are shares and securities other than shares.

4.4 Accrual accounting and recording of interest

The basic data sources are accrual based and applied according to ESA 95.

Accrued interests are mainly shown in respective instruments. In case this is not possible they are recorded in "other accounts payable/receivable".

4.5 Interpolation, extrapolation, and other estimation methods

Neither interpolation nor extrapolation method is used.

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods¹¹²

The consolidation process includes consolidation on sub-sector level and also consolidation on sector level. For general government intra and inter consolidation are made. For the sub-sectors s.1311, S.1313 and S.1314 intra consolidation is made.

¹¹² There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.7 Conversions (euro, foreign currency)

All data are in Euro.

4.8 Revisions policy or coherence between provisional and final statistics

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

The financial and non-financial accounts are not fully consistent on quarterly basis, but they are consistent on annual basis.

5.2 Coherence between quarterly and annual data

Quarterly and annual data are coherent, because annual financial accounts are derived from quarterly financial accounts.

5.3 Comparability with government debt¹¹³

QFAGG data and quarterly government debt data are consistent for all categories from 2006q3 onwards, for back data only AF. 332 is consistent...

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG and MUFA are fully consistent

¹¹³ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities		X			
between financial and non financial accounts			X		
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP					X

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)		X			

Cases where stocks are derived by flows, or the reverse:

6.3 Major events monitoring

Information on major events is transmitted. Large movements in transactions and other economic flows are checked and analyzed systematically.

6.3.1 Large transactions

The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Decrease of deposits, used to reduce AF.332 liabilities.	05Q02	-680.82	2.46

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	Change in the classification of a unit from unquoted shares to quoted shares at the end of 2006q3 caused the raise of price of shares of this unit in 2006q4.	06Q04	1 004.44	3.38
				Increase of the value mainly of unquoted shares.	06Q02	627.99	2.11
				Increase of the market value of quoted and unquoted shares.	07Q01	778.00	2.44
F.7	-	Assets	National authorities	The Succession Fund of the Republic of Slovenia has, based on the Agreement on succession issues, reduced the values of the claims to foreign countries.	06Q04	-669.35	2.25

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

SLOVAKIA

I Institutional arrangements

1.1 Compiling institutions

The QFAGG data are currently compiled by the Statistical Office of the Slovak Republic (SO SR). The SOSR is responsible for compilation of STPFS and QFAGG.

1.2 Publication policy

QFAGG data are published on the SOSR website.

1.3 Publication timeliness

There were no deadlines for publication because publication of QFAGG data has just started. For the forthcoming period of publication the deadlines of publication will be determine in line with publication deadlines of Eurostat.

II Statistical sources

2.0 Source Data

QFAGG are based on direct information, i.e. on quarterly accounting statements since the year 2003 and up to now. SOSR has also compiled ex-post time series from 1998.Q4 for stocks of financial assets and liabilities and from 1999.Q1 for financial transactions and up to the year 2003. These ex-post time series are based on annual financial accounts.

Existing quarterly data sources allow reaching full coverage of instruments and sub-sectors. Other direct data sources, i.e. accounting statements containing counterpart sector information on stocks and transactions have been introduced since the end of the year 2005. The first available data on counterpart information of appropriate quality have been used since 2006.Q1 for transactions and since 2005.Q4 for stocks.

2.0.1 - Statistics without counterpart sector information¹¹⁴

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	ON	ON	ON	ON	ON	ON		ON	ON		ON
	Stocks	ON	ON	ON	ON	ON	ON		ON	ON		ON
CG bodies	Transactions	ON	ON	ON	ON	ON	ON		ON	ON		ON
	Stocks	ON	ON	ON	ON	ON	ON		ON	ON		ON
Local Government												
Transactions		ON	ON	ON	ON	ON	ON		ON	ON		ON
Stocks		ON	ON	ON	ON	ON	ON		ON	ON		ON
Social Security Funds												
Transactions		ON	ON	ON	ON	ON	ON		ON	ON		ON
Stocks		ON	ON	ON	ON	ON	ON		ON	ON		ON

Comments: Sub-sector state government is not applicable in Slovakia. Direct information, i.e. quarterly accounting statements and revenue and expenditure accounts are available for compilation of QFAGG since 2002.Q4 (for stocks) and 2003.Q1 (for transactions). For compilation of ex-post time series of QFAGG annual financial accounts and annual stocks of financial assets and liabilities of general government have been used.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MO	MO	MO	MO	MO	MO		MO	MO		MO
	Stocks	MO	MO	MO	MO	MO	MO		MO	MO		MO

¹¹⁴ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

CG bodies	Transactions	MO	MO	MO	MO	MO	MO		MO	MO		MO
	Stocks	MO	MO	MO	MO	MO	MO		MO	MO		MO
Local Government												
	Transactions	MO	MO	MO	MO	MO	MO		MO	MO		MO
	Stocks	MO	MO	MO	MO	MO	MO		MO	MO		MO
Social Security Funds												
	Transactions	MO	MO	MO	MO	MO	MO		MO	MO		MO
	Stocks	MO	MO	MO	MO	MO	MO		MO	MO		MO

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	ON	ON	ON	ON
	Stocks	MO	MO	MO	MO
CG bodies	Transactions	ON	ON	ON	ON
	Stocks	MO	MO	MO	MO
Social Security Funds					
	Transactions	ON	ON	ON	ON
	Stocks	MO	MO	MO	MO

Comments: Accounting statements containing counterpart information on stocks and transactions have been introduced since the end of the year 2005. The first available data had not a sufficient quality and therefore were not used for compilation of counterpart transactions and stocks. Statements of counterpart information become more sufficient for the quarters from the year 2006. These data have been used in calculations of QFAGG and for the quarters of the years 2006 and 2007.

Table 2.2 Final estimate

Comments: As the statements of counterpart information are at the beginning and filling of these statements is very preliminary it is not possible to talk about final estimates of these data. For the future we are trying to use another supplementary and parallel sources of counterpart information which will be used as a next source for counterpart information of QFAGG data.

2.1 Direct sources

Data from direct sources are provided by Datacentrum and the State Treasury. Datacentrum is the budgetary organization established by the Ministry of Finance of the Slovak Republic (MF SR) which was responsible for the collection, processing and distribution of the information from the field of state budget, state treasury, tax, customs, finance, assets and other government and non-government departments (S.1311, S.1313, S.1314). It is the underlying source for the compilation of QFAGG. Quarterly financial statements (balance sheets) are obtained from Datacentrum and the State Treasury under the agreement.

Since the year 2003 direct sources on financial transactions (F.3, F.4, F.5) from the statements on revenues and expenditures (the budget reporting) are available and are used in annual accounts and for the QFAGG as well.

Since the beginning of the year 2004, the State Treasury has been the main data processing institution and provider of data from the quarterly account statements (balance sheets) for subjects belonging to sub-sectors S.1311, S.1313 (except data for Municipalities and their budgetary organizations and subsidized organizations of municipalities) and S.1314.

The State Treasury is the budgetary organization managed by the Ministry of Finance SR. Concerning the relevant legal act the State Treasury ensures the execution of state budget, the administration of receivables and payables and daily liquidity of state budget. In the first year of the activity of the State Treasury there were some delays in the processing of data and their delivery from the State Treasury to the Statistical Office of the Slovak Republic. Since the year 2005 the delivery of data from the State Treasury is done in requested time.

2.1.1 Central government

Quarterly account statements (balance sheets) and quarterly statements on revenues and expenditures for all bodies belonging to the Central government sector are processed by the State Treasury.

2.1.2 State government

Not applicable.

2.1.3 Local government

Quarterly account statement (balance sheets) and quarterly statements on revenues and expenditures for Municipalities and their budgetary organizations and for subsidised organizations of Municipalities are processed by the Datacentrum. Quarterly account statements (balance sheets) and quarterly statements on revenues and expenditures for Higher territorial units are processed by the State Treasury.

2.1.4 Social security funds

Quarterly account statements (balance sheets) and quarterly statements on revenues and expenditures for the Social insurance company and health insurance companies are processed by the State Treasury.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

- National bank of Slovakia.

2.2.2 Balance of payments statistics

- National bank of Slovakia.

2.2.3 Securities issues statistics

- National bank of Slovakia.

2.2.4 Other financial intermediaries statistics

- Annual balance sheets are available from Datacentrum and the State Treasury.

2.2.5 Non-financial corporations balance sheets

- Annual balance sheets are available from Datacentrum and the State Treasury.

2.3 Other financial data

- Annual state closing financial statements are published by MF SR, available in April.
- Annual national accounts statistics.
- Annual EDP notification tables.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The following institutional bodies are included for the purposes of compilation of QFAGG sector laid out by sub-sectors:

Sub-sector: Central government (S.1311):

- National Property Fund
- State funds
- Slovak Land Fund

- Slovak Consolidation Agency. Inc.
- State budgetary organizations
- State subsidized organizations
- Veritel, joint - stock company, starting since the 3rd quarter of the year 2003; responsible for debt settling in the health sector, activity finished at 06.July 2006
- Public universities
- Nation's Memory Institute Slovak Republic (data available from the 1.Q.2005)
- State environmental fund (as part of State funds) - data available from the 1.Q.2005
- Office for control of health care (data available from the 1.Q.2005)
- Slovak National Centre for Human Rights (data available from the 3.Q.2005.)
- Slovak Television (included into S.1311 for recalculations of QFAGG since the year 2003)
- Slovak Radio (included into S.1311 for recalculations of QFAGG since the year 2003)

Sub-sector: Local government (S.1313):

- Municipalities and their budgetary organizations
- Subsidized organizations of municipalities
- Higher territorial units and their budgetary organizations
- Subsidized organizations of the Higher territorial units

Sub-sector: Social security funds (S.1314):

- Social Insurance Company
- General health insurance company
- Health insurance company Apollo
- Health insurance company Trust
- Common health insurance company
- Health insurance company Sideria
- Health Insurance company Union (activity started at 13. February 2006)
- European health insurance company (activity started at September 2005)
- National Labour Office (only until the end of the year 2003).

3.2 Coverage of financial instruments

In principle, all categories of financial instruments are covered by data of quarterly account statements (balance sheets).

3.3 Breakdown by original maturity

Original maturity breakdown for securities other than shares excluding financial derivatives (A)F.33 and for loans (A)F.4 is (short-term and long-term) used in original quarterly statements (balance sheets) from Datacentrum and the State Treasury. In some balance sheets, items' maturity breakdown

was designed according to the content of individual account statements in balance sheets and accounting principles and rules.

3.4 Counterpart information for the sub-sectors

For both central government and social security funds:

From the balance sheet items, counterpart information was estimated according to the character (content) of the item only for the purposes of experimental consolidation (for QFAGG 2003 in the first regular transmission).

Starting from the 3rd quarter 2004 a new “Quarterly statement on sector breakdown of increase/decrease of financial assets and liabilities” has been introduced. This special statement contains counterpart information for the general government bodies for AF.33, AF.332, AF.4, AF.42, AF.5, AF.51, AF.511, AF.513, AF.52 for assets and for AF.5, AF.511, AF.33, AF.332, AF.4, AF.42, AF.7, AF.71 for liabilities. The statements are filled and properly submitted from beginning of the year 2006.

From the year 2005 two developed modules on counterpart information for assets and liabilities have been introduced in the statistical questionnaires for non-financial and financial corporations. The general government sector is in these modules in position of a counterpart sector for non-financial sector and sector of financial corporations. Counterpart information in this statistical questionnaire is for the same instruments as in the “Quarterly statement on sector breakdown of increase/decrease of financial assets and liabilities”.

3.4.3 Local government

Starting from the 3rd quarter 2004 a new “Quarterly statement on sector breakdown of increase/decrease of financial assets and liabilities” has been introduced. This special statement contains counterpart information for the general government bodies for AF.33, AF.332, AF.4, AF.42, AF.5, AF.51, AF.511, AF.513, AF.52 for assets and for AF.5, AF.511, AF.33, AF.332, AF.4, AF.42, AF.7, AF.71 for liabilities. Statements are filled and properly submitted from beginning of the year 2006.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Information from the “Quarterly statement on sector breakdown of increase/decrease of financial assets and liabilities” and special modules of the quarterly statistical questionnaires (mentioned in 3.4) can be supplementary used for consolidation purposes. Moreover, Revenues and Expenditures Statements can be also supportingly used for consolidation when the quality of statements is sufficient).

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Data are available from the Quarterly statement on sector breakdown of increase/decrease of financial assets and liabilities” mentioned in 3.4.

3.7 Breaks in time series (former comparability over time)

There are no breaks in time series.

IV Current compilation methods

4.1 Stocks and flows

Stocks are based on information on stocks (from the account balance sheets). Transactions are based on stocks information (as changes in stocks) and partly on flow information for securities, loans and equity (F.3/F.4/F.5).

4.1.0 Information from stocks or flows ¹¹⁵

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FS/FF	FS/FF	FS/FF		FS		FS/FF	FS/FF		FS
	Stocks	SS	SS	SS	SS		SS		SS	SS		SS
CG bodies	Transactions	FS	FS/FF	FS/FF	FS/FF		FS		FS/FF	FS/FF		FS
	Stocks	SS	SS	SS	SS		SS		SS	SS		SS
Local Government												

¹¹⁵ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Transactions	FS	FS/ FF	FS/ FF	FS/ FF		FS		FS/ FF	FS/ /FF		FS
Stocks	SS	SS	SS	SS		SS		SS	SS		SS
Social Security Funds											
Transactions	FS	FS/ FF	FS/ FF	FS/ FF		FS					FS
Stocks	SS	SS	SS	SS		SS					SS

Comments: Flow information (FF) for listed transactions is available, but not always in sufficient quality, so transactions are calculated mostly using stock information (FS). Estimations of stocks based on stocks information (SS) have been applied since 2002.Q4 and estimations of transactions based on stocks (FS) or FS/FF have been applied since 2003. Q1. Estimations of transactions based on financial transactions can be applied since the end of the 2005. Stock/flow estimates before 2002.Q4, resp. 2003.Q1 have been done ex-post on the basis of annual financial accounts and stocks and quarterly non-financial accounts.

Table 3.2 Final estimate

Same as table 3.1

4.1.1 Financial transactions

The accounting balance sheet items are transformed into ESA95 financial categories using the own Slovak bridge tables. Transactions are compiled as changes between quarterly financial balance sheets, that is changes in the amount of financial assets held and liabilities outstanding between the closing balance sheet and the opening balance sheet, e.g. 2.Q.2003 financial transactions were obtained by subtracting the stock amounts as of 31.3.2003 from 30.6.2003. This procedure has been used for QFAGG since the years 2003.

However no adjustments are made for the revaluations and other changes in the volume of assets account.

Compilations of financial transactions based on real transactions data (from the statement on revenues and expenditures – the budget reporting) were additionally used since QFAGG 2004 just to check calculations based on account balance sheets. These statements are used as supplementary source of data and for checking purposes also in further calculations (quarters).

4.1.2 Ensuring consistency between stocks and flows

Nearly full consistency between stocks and flows is guaranteed.

4.1.3 Revaluations

Work started – not yet compiled.

4.2 Other changes in the volume of assets

Work started – not yet compiled

4.3 Valuation of financial instruments

Market valuation principle is not fully respected. Data on stocks in assets and liabilities from accounting balance sheets are in nominal value (currency and deposits, payables and receivables), and in value of acquisition (securities other than shares, shares and other equity). Data on transactions are at market value.

For unquoted equities the acquisition value is recorded.

4.4 Accrual accounting and recording of interest

Accrual accounting is applied in QFAGG calculations by using relevant data on accrual adjustment of taxes, social contributions and interests in accordance with adjustments applied in annual financial and non-financial accounts.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

For compilation of ex-post time series of QFAGG from annual financial accounts the interpolation methods were applied.

4.5.2 Extrapolation methods

SOSR has used for QFAGG calculations quarterly data and no extrapolation methods have been used.

4.5.3 Other methods - adjustment of source data for compilation

Not used.

4.6 Consolidation methods¹¹⁶

Original QFAGG are not consolidated for all bodies belonging in one sub-sector. Such non-consolidated data for quarters 2003 were experimentally used in consolidation process for the first transmission programme (March 2004).

In subsequent transmissions of QFAGG, SOSR has applied intra-subsector consolidation of S.1311 and intra-sector consolidation of S.1313 and S.1314 for instruments AF.42, F.42 in assets and liabilities in whole time series.

4.7 Conversions (euro, foreign currency)

The datasets used for the compilation are in the Slovak national currency and calculations in SKK in individual balance sheets are according to valid accounting rules. Therefore, no conversions were necessary to be made. As a country which is going to accept euro in the year 2009, SOSR will start with dual expression of QFAGG data in the year 2008.

4.8 Revisions policy or coherence between provisional and final statistics

SOSR has compiled QFAGG from direct sources since 2003Q1 for transactions and since 2002Q4 for stocks of financial assets and liabilities up to the present. The time series of QFAGG since 1998Q4 respectively 1999Q1 have been compiled using interpolation method.

Data for QFAGG have been revised in compliance with the revisions of annual financial accounts and quarterly non-financial accounts.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

Discrepancies between quarterly financial and non-financial accounts have been minimised in the process of compilation and harmonization of these both accounts every quarter.

5.2 Coherence between quarterly and annual data

Annual financial accounts and stocks of financial assets and liabilities have been revised, and consequently QFAGG data have been harmonized with annual financial data. There is an effort to reach coherence between annual and quarterly data, but vintage issue causes some inconsistencies.

¹¹⁶ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

5.3 Comparability with government debt¹¹⁷

As a consequence of the process of harmonization of quarterly financial assets and liabilities with annual financial stocks, the comparability with government debt was reached. QFAGG data are mainly consistent with Q-debt data in assigned intervals.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG are a main input for MUFA therefore a complete consistency with MUFA is ensured.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types \ Frequency	Sys	Occ	N.a.	Int.

¹¹⁷ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their **market value** at the end of the accounting period, the quarterly government debt is to be recorded at **nominal value**.

on consolidation : calculation of consolidating flows and stocks	X			
between flows and stocks	X			
of growth rates of stocks	X			
of growth rates of flows				X
of counterpart data in the QFAGG dataset				X
of the yield on assets and liabilities (property income / stocks)	X			

Cases where stocks are derived by flows, or the reverse:

6.3 Major events monitoring

6.3.1 Large transactions

Large movements in transactions are controlled and analyzed in the process of compilation of QFAGG. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.4	Long-Term	Assets	National authorities	Reclassification of government receivables.	06Q04	81 575,00	2.66
				Presented major events to the last quarter are caused by the great difference in the comparison with the quarter 2006q4. This quarter 2006q4 was in accordance with other previous quarters for the year 2006 predominantly harmonised with annual transactions.	07Q01	-81 771.00	4.46
F.7				Reclassification of items as a consequence of the methodological information identified at the end of the year.	06Q04	67 209.00	4.57
				Presented major events to the last quarter are caused by the great difference in the comparison with the quarter 2006q4. This quarter 2006q4 was in accordance with other previous quarters for the year 2006 predominantly harmonised with annual transactions.	07Q01	-75 166.00	4.10
		Assets	National authorities	Reclassification of items as a consequence of the methodological information	06Q04	154 835,00	9.11

				identified at the end of the year.			
				Presented major events to the last quarter are caused by the great difference in the comparison with the quarter 2006q4. This quarter 2006q4 was in accordance with other previous quarters for the year 2006 predominantly harmonised with annual transactions.	07Q01	-155 384.00	8.47

**Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).*

6.3.2 Other economic flows (OEF)

OEF were not routinely calculated and not reported and now SOSR is trying to monitor large OEF in the process of compiling QFAGG.

FINLAND

I Institutional arrangements

1.1 Compiling institutions

Statistics Finland is responsible for the compilation and development of general government quarterly financial accounts (*see FA Manual*). Both QFAGG and STPFS data are compiled in the same department of the NSI. Constant co-ordination is ensured.

1.2 Publication policy

National QFAGG data are published on the website of Statistics Finland.

Web site: (in Finnish, Swedish and English) http://stat.fi/til/jyrt/index_en.html

Coverage: Non-consolidated quarterly data for general government and sub-sectors for all instruments (no counterpart information).

Metadata is published in the website alongside with the QFAGG data.

1.3 Publication timeliness

QFAGG and the metadata are published within 3 months (approximately t+93 days).

II Statistical sources

2.0 Source Data

2.0.1 - Statistics without counterpart sector information¹¹⁸

Table 1.1 Provisional estimate

¹¹⁸ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	MO	MO	ON	MO(S)		MO	ON	ON	ON		ON
	Stocks	MO	MO	ON	MO(S)		MO	ON	ON	ON		ON
CG bodies	Transactions	MO	MO	ON	ON(S)		MO			ON		ON
	Stocks	MO	MO	ON	ON(S)		MO			ON		ON
Local Government												
Transactions		NO	MO	MO	NO(S)	NO	NO		MO	MO		NO
Stocks		NO	MO	MO	NO(S)	NO	NO		MO	MO		NO
Social Security Funds												
Transactions		MO	MNO	MNO	MO(S)		MO		NO	MO		MO
Stocks		MO	MNO	MNO	MO(S)		MO		NO	MO		MO

Comments: "Central government bodies" are understood here as extra budgetary funds of central government.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	MO	MO	ON	MO (S)	-	MO	ON	ON	ON	-	ON
	Stocks	MO	MO	ON	MO (S)	-	MO	ON	ON	ON	-	ON
CG bodies	Transactions	MO	MO	ON	ON (S)	-	MO	-	-	ON	-	ON
	Stocks	MO	MO	ON	ON (S)	-	MO	-	-	ON	-	ON
Local Government												
Transactions		MNO	MO	MO	MNO (S)	NO	MNO	-	MO	MO	-	MNO
Stocks		MNO	MO	MO	MNO (S)	NO	MNO	-	MO	MO	-	MNO
Social Security Funds												
Transactions		MO	MNO	MNO	MO (S)	-	MO	-	NO	MO	-	MO
Stocks		MO	MNO	MNO	MO (S)	-	MO	-	NO	MO	-	MO

2.0.2- Statistics with counterpart information

No information is provided for Table 2.1 & 2.2 Provisional and Final estimate

2.1 Direct sources

Direct information is the only or main source data for all categories of central government. It is the main source data for many categories of social security, except securities assets/liabilities and loans assets, which are mainly not based on direct information. Local government source data are mainly not based on direct information for deposits, equity and other receivable/payable, but are mainly based on direct information for debt securities and loans both as assets and liabilities.

2.1.1 Central government

The primary data sources for the central government QFA are exactly the same as in the annual financial accounts, because the annual accounts are compiled in the framework of the quarterly accounts. The main source for the assets side is the Central government bookkeeping accounts, which includes information on currency and deposits (AF.2), short-term and long-term bonds (AF.331 & AF.332), loans (AF.4), unquoted shares and other equity (AF.5) and other accounts receivable (AF.7). In addition, the information on other accounts payable (AF.7) on the liabilities side is obtained from this source. The accounts are finished normally with a lag of 45 days with the exception of the data of the 4th quarter (lag 90-100 days). The main data source for the liabilities side is the State Treasury debt report, which includes quarterly/monthly (lag at max 45 days) information on short-term and long-term bonds (AF.331 & AF.332) and short-term and long-term loans (AF.41 & AF.42). The information on foreign quoted shares (AF.511) and mutual fund shares (AF.52) is obtained quarterly from the State Pension Fund Quarterly Investment Report (lag 60 days).

2.1.2 State government

Not applicable.

2.1.3 Local government

The main direct data source for the local government quarterly financial accounts is the Quarterly Local Government Finance Statistics (QLGFS), which is a quarterly sample survey on the financial statements of municipalities. It covers the biggest units and a sample of the other municipalities, while the joint municipal organisations are excluded. The figures of the sample are then raised to the level of population. Consequently, these balance sheet figures are not used as such, but annual figures are brought forward by change indicated by it. The data refers to the end of each reference quarter and are normally finished with 60 days delay at maximum. The data are valued at book values. The following balance sheet information is obtained from QLGFS:

Assets: short-term bonds (AF.331), long-term bonds (AF.332) and loans (AF.4)

Liabilities: long-term bonds (AF.332) and loans (AF.4). Transactions on F.512 are also obtained from this source.

2.1.4 Social security funds

There are two main direct data sources for the social security funds quarterly financial accounts. The primary data source for the employment pension schemes and part of other social security funds is the Quarterly Investment Portfolio Inquiry for Pension Institutes (compiled by the Finnish Pension Alliance), which includes information on the assets of employment pension schemes and other social security funds at market value. The data cover information on short-term and long-term bonds (AF.331 & AF.332), loans (AF.4) and shares and other equity (AF.5). The data refers to the end of each reference quarter and is normally finished in t+45 days. The other direct data source for other social security funds is the monthly reported data from Social Insurance Institutions profit and loss statement and balance sheet.

2.2 Indirect sources

2.2.1 Money and banking statistics (MBS)

Not used.

2.2.2 Balance of payments statistics

All the information on the sector 'the rest of the world' (S.2) with the exception of foreign quoted shares and mutual fund shares (AF.511 & AF.52) is obtained from the quarterly Balance of payments statistics, which is normally finished with the lag of about 80-85 days.

2.2.3 Securities issues statistics

Not used.

2.2.4 Other financial intermediaries statistics

Statistics Finland's quarterly Outstanding Credit Stock Statistics includes information on financial corporations', central government's and social security funds' holdings of short-term bonds (AF.331), long-term bonds (AF.332) and loans (AF.4) by debtor sector. Values are recorded in nominal value. It is finalised in t+45 days. The statistics is mainly used as a source of counterpart information, but it is also used in compiling totals for S.1314 short-term bonds (assets) and loans (both assets and liabilities).

Statistics Finland's quarterly Credits, deposits and interest rates –publication includes quarterly information on the local government's and social security funds' deposits (AF.2). These figures are not used as such, but they are used as quarterly change indicators to the annual figures. This source was used until the end of 2003.

Financial Markets Statistics of the Bank of Finland includes information on outstanding local government short-term bonds (AF.331) at nominal value. It is normally finished in t+45 days. S.1313 and S.1314 deposits were obtained from this source in 2004.

Supervisory Data Collection on MFI's (VIRATI) includes quarterly information on deposits. It is collected by Statistics Finland and it is normally finished in t+60 days. S.1313 and S.1314 deposits are obtained from this source from 2005 onwards.

Mutual Fund Statistics is compiled quarterly in Statistics Finland. This source is used in calculation of local government's mutual fund shares, stocks and transactions (AF/F.52). Data is used from 2005 onwards.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

The quarterly Quoted Shares Database provides information on domestic quoted shares (balance sheets and transactions) at market value with the breakdown of all counterpart sectors. The data is normally finished in t+30 days.

The quarterly information on the central government currency debt (AF.21) is obtained separately from the Bank of Finland with the time lag of about 45 days.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The delimitation of general government in QFAGG is exactly the same as in the annual financial accounts (See FA manual). However, since the dissemination of FA manual the delimitation of Employment Pension Schemes (S.13141) has been revised from the year 2000 onwards. The voluntary-based pension funds and foundations have been reclassified from S.13141 to S.125.

3.2 Coverage of financial instruments

The breakdown and coverage of the financial instruments in QFAGG are the same as in the annual financial accounts.

3.3 Breakdown by original maturity

The information on maturity breakdown between short-term and long-term bonds (AF.331 & AF.332) is obtained directly and completely from the quarterly data sources for all general government sub-sectors. Instead, because of the lack of information, on the assets side we cannot split loans into short-term (AF.41) and long-term loans (AF.42) but all loan receivables are allocated to AF.42.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

There is enough information to calculate counterpart sector figures for all instruments. Counterpart information is reported in the required extent. The main sources for counterpart information are quarterly Outstanding credit stock statistics, Balance of payments statistics, Quoted shares database, State pension fund investment report, Central government bookkeeping accounts, Government's report on the management and state of central government finances and the Investment portfolio inquiry for pension institutes.

3.4.2 State government

Not applicable.

3.4.3 Local government

The counterpart information is calculated and reported for the corresponding sectors in the required extent.

3.4.4 Social security funds

The counterpart information on the social security funds (S.1314) is calculated separately for the employment pension schemes and the other social security funds. All counterpart sectors are calculated for both parts of the sector and reported in the required extent. Transactions between these two parts are consolidated.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

The coverage for totals is complete. For each general government sub-sector there is information on intra positions and transactions. This way the consolidation can be done on sub-sector level.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

The coverage for totals is complete. There is complete information on inter-governmental positions and transactions, which enables production of consolidated general government data. The information is based on the sources mentioned in the section 2 Statistical Sources.

3.7 Breaks in time series (former comparability over time)

There are no breaks in time series.

IV Current compilation methods

4.1 Stocks and flows

Transactions are based on stock information for deposits, other payable/receivables, and loans except loan liabilities of central government. Transactions are based on flow information for securities except for local government, and for equity.

4.1.0 Information from stocks or flows ¹¹⁹

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF	-	FS	FS	FF	FF	-	FS
	Stocks	SS	SS	SS	SS	-	SS	SS	SS	SS	-	SS
CG bodies	Transactions	FS	FF	FS	FF	-	FS	-	-	FF	-	FS
	Stocks	SS	SS	SS	SS	-	SS	-	-	SS	-	SS
Local Government												
Transactions		FS	FS	FS	FF	-	FF	-	FS	FS	-	FF
Stocks		SS	SS	SS	SS	-	SF	-	SS	SS	-	SF
Social Security Funds												
Transactions		FS	FF	FS	FF	-	FS	-	FF	FS	-	FS
Stocks		SS	SS	SS	SS	-	SS	-	SS	SS	-	SS

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF	-	FS	FS	FF	FF	-	FS
	Stocks	SS	SS	SS	SS	-	SS	SS	SS	SS	-	SS
CG bodies	Transactions	FS	FF	FS	FF	-	FS	-	-	FF	-	FS
	Stocks	SS	SS	SS	SS	-	SS	-	-	SS	-	SS

¹¹⁹ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

Local Government											
Transactions	FS	FS	FS	FF	-	FS	-	FS	FS	-	FS
Stocks	SS	SS	SS	SS	-	SS	-	SS	SS	-	SS
Social Security Funds											
Transactions	FS	FS	FS	FF	-	FS	-	FF	FS	-	FS
Stocks	SS	SS	SS	SS	-	SS	-	SS	SS	-	SS

4.1.1 Financial transactions

Transactions of the general government sub-sectors are based either on direct information on transactions or derived from balance sheet items. Transactions are compiled by sub-sectors as follows:

Central Government:

On the assets side the transactions on long-term bonds (F.332) are obtained mainly from the Balance of payments statistics. Transactions on quoted shares (F.511) are obtained from the Quoted shares database and for the State Pension Fund holdings as the difference of closing and opening balance sheets at purchase value. The information on acquisitions and sales of unquoted shares (AF.512) is obtained from the responsible Ministry, while transactions on mutual fund shares are calculated as the difference of closing and opening balance sheets at purchase value. Transactions on other accounts receivable (F.7) are obtained either from the Balance of payments statistics (F.71) or they are a result of recording some transactions on the accrual basis (F.79: for example the time adjustment of taxes). Transactions on deposits (F.2), short-term bonds (F.331), loans (F.42) and partly other accounts receivable (F.7) are calculated as the difference of closing and opening balance sheets.

On the liabilities side for bonds (F.331, F.332) and loans (F.41 & F.42) transactions are calculated as the difference of acquisitions and sales obtained from the State Treasury debt report. The information on the redemption of debt above/below par and issuance above/below par are added to long-term bond transactions and the information is obtained from the State Treasury. For financial derivatives (F.34) the information on transactions is obtained from the Balance of payments statistics. For currency and deposits (F.2) and other accounts payable (AF.7) transactions are calculated as the difference of the closing and opening balance sheets.

Local Government:

On the assets side transactions on currency and deposits (F.2), short-term bonds (F.331), long-term bonds (F.332), loans (F.42), insurance technical reserves (F.6) and other accounts receivable (F.7) are calculated as the difference between the closing and opening balance sheets. Direct information is available on quoted shares (F.511) from the Quoted shares database and on unquoted shares (F.512) from the Quarterly Local Government Finance Statistics.

On the liabilities side direct information on transactions is available on financial derivatives (F.34) from the Balance of payments statistics. Transactions on bonds (F.331 & F.332), loans (F.41 & F.42) and other accounts payable (F.7) are calculated as the difference between the closing and opening balance sheets.

Social Security Funds:

On the assets side transactions on currency and deposits (F.2), short-term bonds (F.331), loans (F.42) and other accounts receivable (F.7) are calculated as the difference between the closing and opening balance sheets. Direct information is available on quoted shares (F.511) from the Quoted shares database, on unquoted shares (F.512), mutual fund shares (F.52) and partly long-term bonds (F.332) from the Investment portfolio inquiry for pension institutes and partly on long-term bonds (F.332) from the Balance of payments statistics.

On the liabilities side direct information on transactions is available on financial derivatives (F.34) from the Balance of payments statistics. Transactions on loans (F.41 & F.42) and other accounts payable (F.7) are calculated as the difference between the closing and opening balance sheets.

4.1.2 Ensuring consistency between stocks and flows

For yearly and quarterly data of their financial accounts almost all government units of Finland have balance sheets as source data at the detailed level of B1. Moreover they have for non financial account A1, profit and loss account, as source (quarterly-yearly and provisional-final) at least for Central government and Social security main unit. For quarterly data there are still problems with some local units but municipalities are covered with Surveys. Consistency between stocks and flows is controlled and evaluated in the context of our QFAGG compilation system, where revaluations and other changes in volume are calculated separately. The consistency is also checked in the context of annual financial accounts

4.1.3 Revaluations

Information on revaluations is available on quoted shares (Quoted shares database) and on central government debt from the State Treasury.

4.2 Other changes in the volume of assets

The information on other changes in the volume is available on quoted shares (for all S.13 sub-sectors). Additionally information is available on the central government other changes in the volume, when some arrangements in question have been made. As a rule the other changes in volume and revaluations are calculated separately.

4.3 Valuation of financial instruments

The State Treasury debt report (AF.331, AF.332, AF.41, AF.42 for S.1311 liabilities), the Investment Portfolio Inquiry for Pension Institutes (S.1314 assets, AF.332, AF.512 & AF.52), the Quoted shares database (AF.511 for S.1311, S.1313 & S.1314) and Mutual fund statistics (AF.52 assets for S.1313) are directly available at market value. Market valuation principle is taken into account within all instruments when applicable.

4.4 Accrual accounting and recording of interest

The basic data sources are in principal accrual based. Accrued interest is shown in respective instruments, except for local government where it is recorded in other accounts payable/receivable. Debtor approach is applied.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

Central Government:

Not relevant.

Local Government:

There is no quarterly information available on stocks of trade credits (AF.71), unquoted shares (AF.512 & AF.513) and insurance technical reserves (AF.6). Thus, linear interpolation based on annual figures is used for these instruments (balance sheets).

Social Security Funds:

So far, there is no quarterly information available on other accounts receivable/payable (AF.7). Thus, linear interpolation based on annual figures is used for these instruments (balance sheets). Social security funds' quarterly deposits (AF.2) are estimated on the basis of the Supervisory Data Collection (VIRATI). The figures of these statistics are not used as such, but the annual figures are brought forward by the change indicated by it. Loans are estimated analogously to deposits. The change indicator is obtained from the Outstanding credit stock statistics.

4.5.2 Extrapolation methods

Not used.

4.5.3 Other methods - adjustment of source data for compilation

Central Government:

The quarterly balance sheet items of the central government unquoted shares (AF.512) are estimated on the basis of corresponding information on transactions available. The information on transactions is obtained from the responsible ministries. The quarterly balance sheet items of the central government other accounts receivable (Assets: AF.79) are partly derived from the accrual based recordings made in non-financial transactions.

Local Government:

The quarterly balance sheet figures of local government (AF.331, AF.332, and AF.4) are not used as such, but annual figures are brought forward by change indicated by it. The same applies for deposits

indicated in the Deposits, Credits and Interest rates –statistics as well as the VIRATI data collection. The quarterly balance sheet items of the local government other accounts receivable/payable (AF.79) are derived from the accrual based recordings made in non-financial transactions. This concerns time adjustment of tax revenue and expenditure in wages.

Social Security Funds:

Social security funds' quarterly deposits (AF.2) are estimated on the basis of the Deposits, Credits and Interest rates –statistics or the VIRATI data collection. The figures of this statistics are not used as such, but the annual figures are brought forward by the change indicated by it. Loans are estimated analogously to deposits. The change indicator is obtained from the Outstanding credit stock statistics.

4.6 Consolidation methods¹²⁰

Consolidation is carried out according to ESA95 rules. For general government non-consolidated data all intra-positions and inter-positions are shown. Respectively, these positions are excluded in the consolidated data. Complete information on inter-subsector positions is available from direct or indirect sources (see section 2: Statistical sources).

Central Government:

Some extra-budgetary funds classified in S.1311 have holdings of central government long-term bonds and loans, which are removed in the calculations. The information on these intra-positions is obtained from the State Treasury debt report (acquisitions & sales and stocks for loans and repos) and from the quarterly Investment Portfolio Inquiry for pension institutes (acquisition & sales and stocks for the State Pension Fund holdings of the S.1311 long-term bonds). All information is available at market prices.

Local Government:

Intra-local government holdings of debt, concerning all instruments, are indicated in QLGFS. Using this information, local government consolidated figures can be calculated. It should be noted that there is an intra-local government position in AF.513 (municipalities' shares in joint municipal organisations). This should be remembered when interpreting non-consolidated general government figures.

Social Security Funds:

Social Security Funds consists of two separate sub-sectors: Employment pension schemes (S.13141) and other social security funds (S.13149), which are compiled separately in our system. The intra-positions and inter-positions between these sectors are removed based on the information from different sources used in the compilation process.

¹²⁰ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.7 Conversions (Euro, foreign currency)

Foreign currency-denominated items are converted into Euros at the market exchange rate at the end of each quarter.

4.8 Revisions policy or coherence between provisional and final statistics

Finland's QFAGG data is transmitted according to the transmission schedule determined by the QFAGG Regulation, i.e. the figures of the quarter in reference are transmitted with the lag of 90 days (at maximum). At this stage (in the context of every transmission) the revisions to the back data are made when necessary. After the compilation of the preliminary and final annual financial accounts (t+6,5 and t+13 months) the quarterly figures are adjusted to match with annual accounts. After every revision made in the annual financial accounts, the quarterly data are adjusted to comply with annual figures. Metadata on revisions have been routinely reported.

Central Government:

In the case of S.1311, the quarterly financial accounts is the framework, in which the annual accounts are compiled. As a consequence, the S.1311 totals by instrument are almost finished already after the central government bookkeeping accounts are finished (t+4months). The counterpart information for S.1311 is revised in the context of annual accounts (t+13 months). At this stage the quarterly figures are also adjusted to match with the revisions made to the annual financial accounts' back data.

Local Government:

After compiling the annual financial accounts (t+6,5 and t+13 months) the quarterly figures are adjusted to match the finalized annual figures. At this stage, when necessary, the quarterly figures are adjusted to match with the revisions made to the annual financial accounts' back data.

Social Security Funds:

After compiling the annual financial accounts (t+6,5 and t+13 months) the quarterly figures are adjusted to match the finalized annual figures. At this stage, when necessary, the quarterly figures are adjusted to match with the revisions made to the annual financial accounts' back data.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

In principle non-financial and financial transactions are compiled independently and statistical discrepancy is shown as such. However, financial transactions (F.79) are calculated in compliance with time adjustments applied in non-financial transactions when those deviate from the source data. Monitoring quarterly statistical discrepancies is a standard procedure and it is used as a kind of quality indicator. Major discrepancies result in further evaluation of source data and compilation methods. Moreover, QFAGG is cross-checked with balance of payments statistics.

5.2 Coherence between quarterly and annual data

Quarterly and annual data fit most of the time, except for some one-off differences in a few instruments in different years. When differences are observed, they result from vintages.

5.3 Comparability with government debt¹²¹

QFAGG data are consistent with Q-debt data.

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG data is almost totally consistent with MUFA.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Types \ Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts		X		
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP	X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

¹²¹ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks		X			
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)			X		

6.3 Major events monitoring

Information on major events is reported. Explanations and the provision of underlying metadata are reported according to the agreed reporting template.

6.3.1 Large transactions

Large movements in transactions are generally reported. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	National authorities	Central Government cash reserves were reduced due to the redemption of State bonds in July.	06Q03	-4 078.00	2.44
F.33	Long-Term	Liabilities	National authorities	Central government emitted state bonds.	04Q02	4 112.00	2.70
				Redemption of maturing State Bonds in July 2006.	06Q03	-5 652.00	3.38

*Values are in millions of national currency. Transactions above 2.4 % are included (99Q01 onwards).

6.3.2 Other economic flows (OEF)

OEF are monitored and reported. Some of the observed large OEF movements are undocumented. OEF often concern the instrument F.5. The largest are the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	Holding gains due to change in stock prices.	06Q04	6 558.00	3.93

**Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).*

SWEDEN

I Institutional arrangements

1.1 Compiling institutions

Statistics Sweden is responsible for compilation and dissemination of QFAGG. From 1 March 2006 a new organisation came into force at the statistical office where the non-financial accounts and financial accounts started to be compiled within the same unit with the aim to get a closer co-ordination and better coherence between the financial and non-financial accounts.

1.2 Publication policy

The data are published in detail as part of the quarterly financial accounts. Data are in line with the ESA Regulation.

Publication titles: Finansräkenskaper, kvartal (Financial Accounts, quarterly) with a summary in English.

Internet addresses: List of publications:

<http://www.scb.se/templates/PublikationSearch.asp?id=51237&date=2004&page=6443&sort=page>

1.3 Publication timeliness

The data are published within 90 days after the end of the quarter.

II Statistical sources

2.0 Source Data

Statistics Sweden receives practically all data sources on a quarterly basis, except for unquoted shares in central government sector, which are received bi-annually. There are also some minor sources which are only available on annual basis, but the outstanding amounts are still included in the quarterly financial accounts in order to achieve conformity with the annual financial accounts. The sources of data for each financial instrument are summarized in Table 1.0.

Table 1 A summary of the sources used in the general government financial accounts

Source			
	Central government	Local government	Social sec. funds
ASSETS			
Currency and deposits F.2	MBS	MBS	Survey
Securities other than shares F.3	Government authorities	Survey	Survey
Loans and leasing F.4	Government authorities	Survey	Survey
F.4 towards MFI	MBS	Survey	Survey
Shares and other equity F.5			
Quoted shares F.511	Shareholders' statistics	Shareholders' statistics	Shareholders' statistics
Unquoted shares F.512	Government's office	Survey	Survey
Other equity F.513	Public service enterprises annual reports	ND	ND
Mutual fund shares F.520	Mutual funds statistics	Mutual funds statistics	Survey
Insurance technical reserves F.6	NA	NA	NA
Other accounts rec./payable F.7	ND*	Survey	Survey
LIABILITIES			
Currency and deposits F.2	NDO	ND	ND
Securities other than shares F.3	NDO	Survey	NA
Loans and leasing F.4	NDO	Survey	Survey
F.4 towards MFI	MBS	Survey	Survey
Shares and other equity F.5	NA	NA	NA
Insurance technical reserves F.6	NA	Survey	NA
Other accounts rec./payable F.7	ND*	Survey	Survey

Notes

MBS = Money and Banking Statistics

NDO = National Debt Office

NA = Not applicable

ND = Not available

ND* = Not available; stock data exists but a more reliable method for calculating the accruals of taxes for sectors S.1311 and S.1313 will be examined during next year.

This work is done within a task force which also aims to harmonise the non-financial and the financial accounts.

2.0.1 - Statistics without counterpart sector information¹²²

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	NO	ON	IN	IN		ON	ON	ON	MO		ON
	Stocks	NO	ON	IN	IN		ON	ON	ON	MO		ON
CG bodies	Transactions	ON	ON	ON	ON		ON			ON		ON
	Stocks	ON	ON	ON	ON		ON			ON		ON
Local Government												
Transactions		NO	ON	IN	IN		ON	NO	ON	MO	ON	ON
Stocks		NO	ON	IN	IN		ON	NO	ON	MO	ON	ON
Social Security Funds												
Transactions		ON	ON	ON	IN		ON			ON		ON
Stocks		ON	ON	ON	IN		ON			ON		ON

Comments: F.5 Shareholders' statistics, compiled by Statistics Sweden, constitutes the source for quoted shares (F.511) for all sectors and sub-sectors of Sweden's Financial Accounts. Likewise, the mutual funds statistics, also compiled by Statistics Sweden, serves as the source for mutual fund shares (F.52) for all sectors and sub-sectors.

¹²² Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	NO	ON	IN	IN		ON	ON	ON	MO		ON
	Stocks	NO	ON	IN	IN		ON	ON	ON	MO		ON
CG bodies	Transactions	ON	ON	ON	ON		ON			ON		ON
	Stocks	ON	ON	ON	ON		ON			ON		ON
Local Government												
Transactions		NO	ON	IN	IN		ON	NO	ON	MO	ON	ON
Stocks		NO	ON	IN	IN		ON	NO	ON	MO	ON	ON
Social Security Funds												
Transactions		ON	ON	ON	IN		ON			ON		ON
Stocks		ON	ON	ON	IN		ON			ON		ON

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	NO	IN	IN	IN
	Stocks	NO	IN	IN	IN
CG bodies	Transactions	NO	NO	NO	NO
	Stocks	NO	NO	NO	NO
Social Security Funds					
Transactions		NO	NO	NO	NO
Stocks		NO	NO	NO	NO

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	NO	IN	IN	IN
	Stocks	NO	IN	IN	IN
CG bodies	Transactions	NO	NO	NO	NO
	Stocks	NO	NO	NO	NO
Social Security Funds					
Transactions		NO	NO	NO	NO
Stocks		NO	NO	NO	NO

2.1 Direct sources

Direct information is the only or main source data for many categories, except for deposits assets of "the State" (budgetary central government) and of local government which do not use direct information, and loans assets of the State and local government that use in part direct information. For quoted shares (AF.511) a quarterly compilation, based on information by the register of share holders by Nordic Central Securities Depository, is used for all sectors. as the source for mutual funds shares (AF.52) is quarterly information from the Financial Supervisory Authority compiled by Statistics Sweden.

2.1.1 Central government

Statistics Sweden's main source of central government data is the Swedish National Debt Office from which central government debt data is reported quarterly. The holdings of central government are reported quarterly from different authorities, mainly administrative information. Statistics Sweden is responsible for the compilation of the reported data.

2.1.2 State government

Not applicable.

2.1.3 Local government

The main source of direct local government data is a quarterly survey on local governments' (municipalities and city councils) balance sheet data, carried out by Statistics Sweden. The fourth

quarter survey is compiled from the whole population, and for quarters 1-3 the survey is a sample-survey adjusted according to the four quarter results.

2.1.4 Social security funds

The main source for direct social security data is a quarterly survey on social security by Statistics Sweden from the National pension funds (the AP-funds). The survey data is compared and matched to the semi-annual and annual accounts from the National pension funds.

2.2 Indirect sources

2.2.1 Money and banking statistics

The MBS, which is compiled by Statistics Sweden on commission of the Riksbank, provides data on F.2 and part of F.4 for central and local governments' financial accounts balance sheet and transactions data.

2.2.2 Balance of payments statistics

The source of central government's long-term loans assets (F.42) towards rest of the world (S.2) is the balance of payments statistics.

2.2.3 Securities issues statistics

Shareholders' statistics, compiled by Statistics Sweden, constitutes the source for quoted shares (F.511) for all sectors and sub-sectors of Sweden's Financial Accounts. Likewise, the mutual funds statistics, also compiled by Statistics Sweden, serves as the source for mutual fund shares (F.52) for all sectors and sub-sectors.

2.2.4 Other financial intermediaries statistics

Not used as an indirect source.

2.2.5 Non-financial corporations balance sheets

For central government's other equity (F.513), central government's fund capital in the three central government quasi-corporations is collected from the annual reports of the mentioned corporations. The outstanding amounts are supposed to be constant during the year.

2.3 Other financial data

Not used.

III Data coverage

3.1 Delimitation of general government (sector boundary)

Central government sub-sector, S.1311 includes the Riksdag (Parliament), administrative departments and authorities. It also includes two foundations controlled by the central government.

Local government sub-sector, S.1313 comprises municipalities and county councils, and up until 1999Q4 also the state church. From 2000Q1 the state church was disestablished from government and therefore reclassified to the NPISH sector. Social security funds sub-sector, S.1314 consists of the Swedish National Pension Funds and the Premium Pension Authority

3.2 Coverage of financial instruments

With a few exceptions the financial accounts cover all the instruments defined and classified in ESA95, see Table 1 above. The exceptions are F.34 financial derivatives, for which information is only available on stocks, and no reliable transaction values are currently obtainable and F.79 for central government, as the coverage on accrued taxes and EU grants is not complete.

3.3 Breakdown by original maturity

The information to produce a breakdown by original maturity is not available other than to separate it into short-term and long-term, as required by ESA95.

3.4 Counterpart information for the sub-sectors

3.4.1 Central government

Generally, reporting forms and surveys have a who-to-whom perspective, and counterpart information is therefore generated in the financial accounts system. Counterpart information for general government's holdings and liabilities is reported according to the requirements of the Regulation.

3.4.2 State government

Not applicable.

3.4.3 Local government

The quarterly survey to local government sector contains detailed information on counterparts for the most relevant financial assets and liabilities. On the asset side counterparts are given for AF.3 (except AF.34), AF.42, AF.512, and on the liabilities side counterparts are reported for AF.41 and AF.42.

3.4.4 Social security funds

Detailed information of the holdings of social security funds sector including counterpart information is inquired in the survey.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Counterpart information is available to allow consolidation.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Counterpart information is available to allow consolidation.

3.7 Breaks in time series (former comparability over time)

There are no breaks in time series.

IV Current compilation methods

4.1 Stocks and flows

Transactions are based on stock information for all categories of central government, except securities assets and some equity assets of “the State” (Budgetary central government). Transactions are based on flow information for all categories of social security funds and for most assets (except loans assets) and securities liabilities of local government.

4.1.0 Information from stocks or flows ¹²³

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF/ FS		FS	FS	FS	FS		FS
	Stocks	SS	SS	SS	SS		SS	SS	SS	SS		SS
CG bodies	Transactions	FS	FS	FS	FS		FS			FS		FS
	Stocks	SS	SS	SS	SS		SS			SS		SS
Local Government												
Transactions		FF	FF	FS	FF/ FS		FF		FF	FS	FS	FS
Stocks		SS	SS	SS	SS		SS		SS	SS	SS	SS
Social Security Funds												
Transactions		FF	FF	FF	FF		FF			FF		FF
Stocks		SS	SS	SS	SS		SS			SS		SS

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FS	FF	FS	FF/ FS		FS	FS	FS	FS		FS
	Stocks	SS	SS	SS	SS		SS	SS	SS	SS		SS

¹²³ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

CG bodies	Transactions	FS	FS	FS	FS		FS			FS		FS
	Stocks	SS	SS	SS	SS		SS			SS		SS
Local Government												
	Transactions	FF	FF	FS	FF/ FS		FF		FF	FS	FS	FS
	Stocks	SS	SS	SS	SS		SS		SS	SS	SS	SS
Social Security Funds												
	Transactions	FF	FF	FF	FF		FF			FF		FF
	Stocks	SS	SS	SS	SS		SS			SS		SS

4.1.1 Financial transactions

Central government: Transaction values are calculated from book values and accrued interest.

Local government: Transaction values are calculated from book values.

Social security funds: Transaction values are reported in the quarterly survey.

4.1.2 Ensuring consistency between stocks and flows

Sweden has no integrated source data. Its tables show a selection of flow or stock information such as F1, special report, and G1, surveys, that cannot permit a full reconciliation. Where information is available, the consistency between stocks and flows is ensured through the revaluations account.

4.1.3 Revaluations

See above.

4.2 Other changes in the volume of assets

Where known, these are recorded.

4.3 Valuation of financial instruments

In principle, Statistics Sweden uses market valuation of the stock data in the financial accounts. Where we lack information on market values, we use book values, e.g. on unquoted shares.

4.4 Accruals accounting & recording of interest

Statistics Sweden uses the accrual basis principle on the instruments where it is possible, i.e. F.2, F.3, and F.4.

For F.7 information is not available.

Recording of accrued interest is continuously included in the valuation of each instrument respectively.

Generally, Statistics Sweden uses the debtor approach, where information is not available due to data sources we take the values from the creditor.

4.5 Interpolation, extrapolation, and other estimation methods

4.5.1 Interpolation methods

For the instruments where the sources are only available annually, the stock values of quarter four are held constant until we receive information for the following year, and the data is then revised backwards accordingly. This is however only the case for F.513 in central government, and so far for F.7 in local government sector, and also for two foundations controlled by central government.

4.5.2 Extrapolation methods

Statistics Sweden uses the extrapolation method to calculate the shareholders' statistics for quarters one and three. The shareholders' statistics are collected biannually, and for quarters one and three, Statistics Sweden use the stock exchange trend to calculate stock and transactions values.

4.5.3 Other methods - adjustment of source data for compilation

Not used.

4.6 Consolidation methods¹²⁴

Consolidation is done according to ESA 95 rules. For the non-consolidated data for general government both inter- and intra-positions are shown. Accordingly these positions are excluded in the consolidated data.

¹²⁴ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

4.7 Conversions (euro, foreign currency)

The conversion from SEK to euro is done as required.

4.8 Revisions policy or coherence between provisional and final statistics

If the source data is revised, the financial accounts are revised according to the revised information. The time series are updated in connection with each compilation of the quarterly financial accounts. Revisions are also made in connection with the compilation of the annual accounts, in order to maintain consistency between annual and quarterly accounts. In cases where the revised source data demands revisions of longer time series, or when the revisions are remarkably large, a footnote with an attached explanation is inserted in the database to ensure proper documentation.

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

As there exist large methodological gaps between the non-financial and financial accounts especially on the accruals principle, the actual outcome is therefore difficult to compare. However, the aim is to harmonize the non-financial and financial accounts.

5.2 Coherence between quarterly and annual data

The annual financial accounts are in principle formed by the quarterly accounts, and consistency checks are done. From 2006 onwards, both systems have been merged, and systematic consistency checks have been introduced.

5.3 Comparability with government debt¹²⁵

QFAGG data and Q-debt data are generally consistent except for the instrument AF.2

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

MUFA and QFAGG are compiled using the same data set.

¹²⁵ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

VI Consistency and plausibility checks on QFAGG data

6.1 Consistency checks

Types	Frequency	Sys	Occ	N.a.	Int.
of consolidation : equality between assets & liabilities				X	
between financial and non financial accounts					X
between quarterly and annual accounts with table 6 & 7 of ESA 95		X			
between quarterly and annual accounts with table 3 of EDP		X			

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks				X	
between flows and stocks		X			
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)				X	

6.3 Major events monitoring

Information on major events is provided.

6.3.1 Large transactions

Some undocumented large movements in transactions are observed. The largest transaction is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	In the first quarter every year the Premium Pension Authority purchases shares in the different funds selected by the insured.	02Q01	41 054.00	1.73

*Values are in millions of national currency. There are no transactions above the threshold (2.4 %).

6.3.2 Other economic flows (OEF)

OEF are monitored and reported. Few undocumented large OEF movements are observed. The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.5	-	Assets	National authorities	This is due to rise in stock markets.	05Q02	67 224.00	2.52

*Values are in millions of national currency. OEF above 1.6 % are included (99Q01 onwards).

UNITED KINGDOM

I Institutional arrangements

1.1 Compiling institutions

The Office for National Statistics (ONS) has full responsibility for the compilation of QFAGG. Financial and non-financial accounts data are both compiled by the Public Sector Accounts branch at the ONS. Co-operation in compilation is constant and institutionalised.

1.2 Publication policy

The data are published in detail. Explanatory analyses are provided in the press releases. Methodological metadata are also available to some extent.

Data are in line with the Regulation but the social security sub-sector is not currently separately identified in the UK National Accounts.

Publication titles: "UK Economic Accounts, The UK National Accounts Blue Book, Public Sector Finances First Release, Government Deficit and Debt under the Maastricht Treaty First Release and Financial Statistics". Examples of these releases can be found at the following links:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=376&Pos=1&ColRank=1&Rank=422>

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=1904&Pos=&ColRank=1&Rank=272>

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=805>

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=1143>

<http://www.statistics.gov.uk/Statbase/Product.asp?vlnk=3766>

1.3 Publication timeliness

Public Sector Finances (which present part of QFAGG data) are published 14 working days after the end of the month. A more detailed electronic dataset is made available three working days after publication of the *Public Sector Finances First Release*. The Quarterly National Accounts (which include all QFAGG data) are published about 12 weeks after the end of the quarter.

II Statistical sources

In the UK, the general government sector is composed of central government, S.1311, and local government, S.1313. Social security funds are not currently separated from the central government accounts. Data for

local government are based mainly on surveys. Data for central government come from monitoring and operating systems for government funds and investments, and from the central bank, the Bank of England.

The sources of data for each financial transaction/instrument are summarized in Table 1.0 provided below:

TABLE 1: Financial Transactions identified in the UK Financial Account and data sources			
	Source		
	Central Government	Indirect	Local Government
Monetary gold and SDRs (F.1)	-	BoE	-
Currency and deposits (F.2)			
Currency (F.21)	HMT	BoE	
Transferable deposits (F.22)			
Sterling deposits with UK Banks	HMT	BoE	DCLG
Foreign Currency Deposits with UK	HMT	BoE	DCLG
Sterling deposits with UK Building Societies*	HMT	BSC	DCLG
Deposits with the rest of the world MFIs	HMT	BoE	-
Other deposits (F.29)	HMT	-	-
Securities other than shares (F.3)			
Excluding financial derivatives (F.33):			
Short-term: money market instruments (F.331)			
Issued by UK Central Government	HMT	BoE	-
Issued by UK Local Authorities	-	-	DCLG
Issued by UK MFIs	HMT	BoE	DCLG
Issued by other UK residents	HMT	BoE	DCLG
Issued by the rest of the world	HMT	BoE	DCLG
Medium (1-5 year) and long-term (over 5 years) bonds (F.332)			
Issued by UK Central Government	HMT	-	DCLG
British government securities	HMT	-	DCLG
Other central government bonds	HMT	-	DCLG
Issued by UK Local Authorities	-	-	DCLG
Other medium and long-term bonds issued by UK residents	HMT	-	DCLG
Long-term bonds issued by the rest of the world	HMT	BoE	DCLG
Financial derivatives (F.34)	HMT	BoE	-
Loans (F.4)			
Short-term loans (F.41)			
Loans by UK MFIs	-	BoE	DCLG
Loans by rest of the world MFIs	-	BoE	DCLG
Long-term loans (F.42)			
Loans secured on dwellings	HMT	-	DCLG
Finance Leasing	HMT/ONS	BoE/Other	
Other long-term loans by UK residents	HMT	-	DCLG
Other long-term loans by the rest of the world	-	BoE	-
Shares and other equity (F.5)			
Excluding mutual funds shares (F.51)			
Quoted UK shares	HMT/SE	-	DCLG/SE
Unquoted UK shares	HMT/DfID	-	DCLG
Other equity	HMT	-	-
Insurance technical reserves (F.6)			
Prepayments for insurance premiums and reserves for outstanding claims (F.62)	-	-	OGDs/Other
Other accounts receivable/payable (F.7)	HMT/OGDs	-	Other
Notes:			
HMT = HM Treasury (UK's Finance Ministry)			
BoE = The Bank of England (UK's Central Bank)			
DCLG = Department for Communities and Local Government			
DfID = Department for International Development			
BSC = Building Societies Commission			
ONS = Office for National Statistics			
MFI = monetary financial institution			
OGDs = Other Government Departments			
SE = Stock Exchange			
* Building Societies are mutual financial institutions in the UK, owned by their members (rather than by shareholders), which pay interest on deposits and lend money on the security of property to enable members to buy their own homes. The distinction between building societies and banks is now much reduced and the main difference is often the question of ownership.)			

2.0 Source Data

Source data are mostly based on direct information, for all categories except insurance technical reserves (F.6).

2.0.1 - Statistics without counterpart sector information¹²⁶

Table 1.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MO	MO	MO	MO	N/A	MO	MO	MO	MO	N/A	MO
	Stocks	MO	MO	MO	MO	N/A	MO	MO	MO	MO	N/A	MO
CG bodies	Transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Stocks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		MO	MO	MO	MO	NO	MO	N/A	MO	MO	N/A	MO
Stocks		MO	MO	MO	MO	NO	MO	N/A	MO	MO	N/A	MO
Social Security Funds												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Comments: Central government data are recorded under ‘The State’- these are data for the whole central government sector and central government bodies have not been separately identified. The majority of central government data are supplied by relevant government departments or bodies. Other data include information from local government and public corporations. Provisional data sources are the same as final data sources.

¹²⁶ Tables indicate whether data are **only (ON)**, or **mostly (MO)**, or **in part (IN)**, or **mostly not (MNO)**, or **not (NO)** based on direct information. The use of security by security databases can be indicated with a further mention: **(S)**. Security by security databases are a specific kind of indirect information, useful to identify. While S is often associated with NO, it may also be associated with other entries: such as when the security by security database is used for only some units of the sub-sector in question.

For local government, data are mostly supplied by local authorities to the Department for Communities and Local Government, in a quarterly survey. Other local government data are supplied by HM Treasury, devolved administrations and other sources.

Table 1.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	MO	MO	MO	MO	N/A	MO	MO	MO	MO	N/A	MO
	Stocks	MO	MO	MO	MO	N/A	MO	MO	MO	MO	N/A	MO
CG bodies	Transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Stocks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		MO	MO	MO	MO	NO	MO	N/A	MO	MO	N/A	MO
Stocks		MO	MO	MO	MO	NO	MO	N/A	MO	MO	N/A	MO
Social Security Funds												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

2.0.2- Statistics with counterpart information

Table 2.1 Provisional estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
“The State”	Transactions	MO	MO	MO	MO
	Stocks	MO	MO	MO	MO
CG bodies	Transactions	n/a	n/a	n/a	n/a
	Stocks	n/a	n/a	n/a	n/a
Social Security Funds					
Transactions		n/a	n/a	n/a	n/a
Stocks		n/a	n/a	n/a	n/a

Comments: Counterpart information is available to allow consolidation; otherwise the data are built up from sub-sectors. The ONS' main source of indirect data is the Bank of England (the UK's central bank). But only some cells are applicable.

Table 2.2 Final estimate

		Assets			Liabilities
Sub-sectors		F3	F4	F5	F4
Central Government (CG)					
"The State"	Transactions	MO	MO	MO	MO
	Stocks	MO	MO	MO	MO
CG bodies	Transactions	n/a	n/a	n/a	n/a
	Stocks	n/a	n/a	n/a	n/a
Social Security Funds					
Transactions		n/a	n/a	n/a	n/a
Stocks		n/a	n/a	n/a	n/a

2.1 Direct sources

2.1.1 Central government

The ONS' main source of direct central government data is HM Treasury (the UK's Ministry of Finance) which collects data monthly from administrative sources on its funds and borrowing.

2.1.2 State government

Not applicable.

2.1.3 Local government

For local government transactions, the Department for Communities and Local Government (DCLG, the central government department responsible for local government) surveys local authorities' balance sheets on a quarterly basis.

2.1.4 Social security funds

Social security and state government sub-sectors are currently part of central government in UK. Counterpart data for central government are taken from surveys of banks by the Bank of England,

from ONS surveys of financial and non-financial corporations, and from Bank of England data on its transactions with government.

2.2 Indirect sources

2.2.1 Money and banking statistics

The ONS' main source of indirect data is the Bank of England. For the majority of 'securities other than shares' (F.3), the Bank supplies data for UK government holdings in the official reserves. For F.331, net sales of 'short-term securities (excluding financial derivatives)' by central government constitute the increase in outstanding Treasury bills - this information comes monthly from the Bank of England.

Data on 'Other long-term loans by the rest of the world' (see F.42), for both local and central government, are also supplied by the Bank of England as they are recorded in its Exchange Equalisation Account (EEA).

Data concerning 'currency and deposits' (F.2) is supplied by the Bank of England from balance sheet returns made by UK banks, itself included. HM Treasury and the Department for Communities and Local Government, however, provide alternative sources that the data are checked against. For 'deposits with the rest of the world monetary financial institutions' (F.229), assets with banks abroad are derived from the international banking statistics of countries in the Bank for International Settlements' reporting area, delivered to the ONS through the Bank of England. However, assets of general government and public corporations are not separately distinguishable from the non-bank private sector. Financial flows are estimated from changes in the levels, adjusted for exchange rate movements.

For F.411 (loans by UK monetary financial institutions), data supplied by the Bank of England, from balance sheet returns made by UK banks, is narrowed to central government and local government through the use of supplementary series from HM Treasury and the Department for Communities and Local Government.

Data on (F.1) 'monetary gold and Special Drawing Rights', considered to be of high quality, are also provided by the Bank of England, including market valuations of special drawing rights transactions. Both gold and SDRs are recorded in the Bank's Exchange Equalisation Account (EEA).

2.2.2 Balance of payments statistics

Not used.

2.2.3 Securities issues statistics

Not used.

2.2.4 Other financial intermediaries statistics

Not used.

2.2.5 Non-financial corporations balance sheets

Not used.

2.3 Other financial data

For F.423 (finance leasing loans), data are obtained from central government departmental resource accounts and local authority accounts. A programme of work has been carried out in this area, details of which are available at:

<http://www.statistics.gov.uk/CCI/article.asp?ID=1638&Pos=&ColRank=2&Rank=208>

Data for F.62 (prepayments of insurance premiums and reserves for outstanding claims) come from ONS surveys to insurance corporations and pension funds and the statutory returns made by insurance corporations to the government's Department of Business, Enterprise and Regulatory Reform (BERR) - this is the supervisory authority for insurance corporations in the UK. Detailed insurance product information from the Association of British Insurers is used to allocate this item to counterpart sectors (which includes local government).

Local government trade credit figures, F.71, are estimated using the imbalance in the local government sector account, as remaining entries are of good quality.

III Data coverage

3.1 Delimitation of general government (sector boundary)

The sector general government (S.13) includes all institutional units which are non market producers whose output is intended for individual and collective consumption, and are mainly financed by compulsory payments made by units belonging to other sectors. It also includes all institutional units principally engaged in the redistribution of national income and wealth.

The institutional units included in sector S.13 are the following:

- a) General government entities which administer and finance a group of activities, principally providing non-market goods and services, intended for the benefit of the community. It excludes public producers organized as public corporations or, by virtue of special legislation, recognized as independent legal entities, or quasi-corporations, when any of these are classified in the non-financial or financial corporations' sectors;
- b) Autonomous pension funds. In the UK, the National Insurance Fund is currently classified within the central government sector, rather than as a Social security Fund.

The sub-sector of central government (S.1311) includes all administrative departments of the State and other central agencies whose competence extends normally over the whole economic territory.

Regional Health Authorities and public sector hospitals (NHS and HSS Trusts) are classified within central government using Eurostat's rules on hospitals. The new National Assemblies for Scotland, Wales and Northern Ireland are currently included within central government, although they will be re-classified as state government in due course.

The sub-sector local government (S.1313) includes those types of public administration whose competence extends to only a local part of the economic territory, apart from local agencies of central government such as the National Health Service. Local authorities are able to separate out market entities so that these are shown as public corporations. Housing revenue accounts of local authorities, and some other local authority trading services, are thus regarded as market kind of activity units within the public corporations sector.

State schools are classified within local government in Britain, and as central government in Northern Ireland. Universities are classified to the private sector.

3.2 Coverage of financial instruments

The UK's classification of transactions and stocks of financial assets and liabilities is based on two criteria – liquidity and the form of the underlying creditor/debtor relationship – and is designed to facilitate analysis and international comparisons. In summary, the instrument categories used conform to the classification of financial transactions described in ESA95, as shown in Table 1 above. They are formed from aggregating a more detailed matrix of instrument categories.

3.3 Breakdown by original maturity

The information to produce a breakdown by original maturity is not available in the UK, other than to separate instruments into short-term and long-term, as required by ESA95.

3.4 Counterpart information for the sub-sectors

Two-thirds of counterpart information has not been provided. Data are available as from 1987Q1.

3.4.1 Central government

Counterpart data for central government is taken from surveys of banks by the Bank of England, from ONS surveys of financial and non-financial corporations and from Bank of England data on government transactions.

3.4.2 State government

Not applicable.

3.4.3 Local government

Similar data sources are available to those of central government, notably through the Bank of England.

3.4.4 Social security funds

The social security sub-sector is not currently separately identified in the UK National Accounts.

3.5 Coverage for transactions between government sub-sectors and other resident sectors (for consolidation purposes)

Counterpart information is generally available to allow consolidation, otherwise the data are built up from sub-sectors.

3.6 Coverage for transactions between general government and other sectors (resident and non-residents)

Built up from sub-sectors.

3.7 Breaks in time series (former comparability over time)

There are no breaks in the time series.

IV Current compilation methods

4.1 Stocks and flows

4.1.0 Information from stocks or flows ¹²⁷

Table 3.1 Provisional estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
“The State”	Transactions	FF	FF	FF	FF	N/A	FF	FF	FF	FF	N/A	FF
	Stocks	SS	SS	SS	SS		SF	SS	SS	SS	N/A	SF/ SS
CG bodies	Transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Stocks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		FF	FF	FF	FF	FF	FF	N/A	FF	FF	N/A	FF
Stocks		SS	SS	SS	SS	SS	SF		SS	SS	N/A	SF/ SS
Social Security Funds												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Comments: For central government, most of the transactions data are based on financial transactions information provided by government departments and bodies. Banking data for stocks and transactions are provided by the Bank of England. Some stocks data are calculated from transactions data, mainly F7. Most stocks figures are based on source data on stocks.

For local government, a large part of the financial accounts data is based on a quarterly survey by the Department for Communities and Local Government. This survey collects stocks and transactions

¹²⁷ Transactions and stocks may be based on independent information, transactions may be based on stocks, or stocks based on accumulation of flows. Hence the following denominations: transactions based on stocks (**FS**) or transactions based on financial transactions (**FF**); stocks based on stocks (**SS**) or stocks based on financial transactions (**SF**).

data. Local government banking data is provided by the Bank of England which provides both stocks and transactions data. Most F7 data for stocks are based on transactions data.

Table 3.2 Final estimate

		Assets						Liabilities				
Sub-sectors		F2	F3	F4	F5	F6	F7	F2	F3	F4	F6	F7
Central Government (CG)												
"The State"	Transactions	FS	FF	FF	FS (IN) ¹²⁸	N/A	FF	FF	FF	FF	N/A	FF
	Stocks	SS	SS	SS	SS		SF	SS	SS	SS	N/A	SF/ SS
CG bodies	Transactions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Stocks	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local Government												
Transactions		FF	FF	FF	FF	FF	FF	N/A	FF	FF	N/A	FF
Stocks		SS	SS	SS	SS	SS	SF		SS	SS	N/A	SF/ SS
Social Security Funds												
Transactions		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stocks		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

4.1.1 Financial transactions

Transactions in financial assets are valued at the prices at which the assets are acquired or disposed of, excluding:

- Fees and commissions (recorded as payments for services)
- Taxes on transactions (recorded as taxes on production).

When securities are issued at a discount the amount recorded in the financial account is the proceeds to the issuer at the time of sale, the difference between this and the face value being treated as interest

¹²⁸ Whenever there are different cases applicable across units and instruments, you might also attach indication for mostly (MO) or for in part (IN) to you answer

accrued over the life of the instrument. When, on the other hand, securities are issued through underwriters or other intermediaries and then sold at higher prices to final investors the value recorded is that paid by the investors, the difference in this case being treated as service payments from the issuer to the underwriters. When interest accrues on an instrument, the amount accruing in the period is recorded as being re-invested in the same instrument.

As regards timing, financial transactions should be recorded by the two parties at the same time, aligned with any entries into non-financial accounts, which give rise to the claims. If only the financial account is affected then the recording should take place when ownership of the asset is transferred or when the liability is incurred or redeemed as the case may be. In practice, however, there is often a lag between the making of payments and their receipt.

4.1.2 Ensuring consistency between stocks and flows

At present there is no integrated data source system, except for provisional quarterly and annual data for financial and non-financial accounts. An integrated data system is being developed and will become “final” for central government and state government based on C1 for “the state” and main units of state government. All financial account and balance sheet data are quality assured by comparing underlying movements in balance sheet positions with transactions and market revaluations.

4.1.3 Revaluations

See above.

4.2 Other changes in the volume of assets

Where known, these are recorded.

4.3 Valuation of financial instruments

Generally, in the financial account the aim is to record transactions at the transaction value. Therefore, the value recorded in £ sterling should be the value at which the assets/liabilities involved are created, liquidated, exchanged or assumed, on the basis of commercial considerations only. Since each sale of an asset is balanced by a purchase, the total value of sales for a certain type of asset should equal the total value of purchases. As it is not possible for every transaction to be recorded by both parties simultaneously and at the same valuation, identifying the sector of the party involved, the UK uses a partial system of data collection and recording in which there are known to be errors. In practice, however, the market valuation of government assets and liabilities is easier to measure.

Where flows in foreign currency are denominated in foreign currencies, the results are not as reliable as those denominated in sterling. This is because they depend upon eliminating the effects of variations in exchange rates. The preferred approach is that foreign currency be translated into sterling at the rate prevailing at the time of the transaction; but in practice average rates over a longer period

are often used. Assumptions have to be made about the mix of currency holdings and about the average rates at which the transactions took place.

For unquoted equities the book value is recorded where no market valuation is available.

4.4 Accruals accounting & recording of interest

In principle, transactions in financial instruments are deemed to take place when ownership changes, rather than when payment is made. However, many loans, for example, come into existence only when the amount is paid. For other instruments, settlement is so quick as to virtually be instantaneous; transactions in government securities are settled the following day for instance.

Implementing this principle where one financial instrument is exchanged for another, gives rise to three possibilities (assuming all the necessary information is available):

- both financial transactions are transactions in means of payments (means of payment consist of currency and transferable deposits, monetary gold and special drawing rights): they are recorded at the time the first payment is made;
- only one of the two financial transactions is a transaction in means of payment: they are recorded at the time payment is made;
- neither of the two financial transactions is a transaction in means of payment: they are recorded at the time the first financial transaction takes place.

Interest is always recorded continuously on an accrual basis, not according to the amount paid or due to be paid. This applies even for bills and zero-coupon bonds which are issued at a discount to the redemption value where interest - the discount - has to be imputed over the life of the asset. For other bonds and debentures the interest is the guaranteed amount payable in each accounting period (known as the coupon payment) *plus* an appropriate share of any initial discount (i.e. the difference between the nominal or redemption value and the issue price). The methods by which this discount can be distributed over time vary. In the special case of index-linked securities, where the coupon payment is based on a specified price index,

the full amount of this is treated as interest. Where it is the value of the principal that is index-linked, the change in that value over the accounting period is treated as interest. In either event, the interest accrued is then recorded as being effectively reinvested. Where reduced rate loans are given to employees and the benefit included in income in kind, interest should be recorded at commercial rates.

Where reinvestment of accrued interest is concerned, in principle interest accruing but not paid out is treated as being reinvested in the relevant financial instrument. In principle this applies to interest on deposits (F.22, F.29), securities other than shares (F.3), and loans (F.4). In practice it applies only to certain instruments, where both accruals and cash flows statistics are available.

Due to the data sources used, the debtor approach is always used.

4.5 Interpolation, extrapolation, and other estimation methods

These types of methods are not necessary in the UK.

4.5.1 Interpolation methods

4.5.2 Extrapolation methods

4.5.3 Other methods - adjustment of source data for compilation

4.6 Consolidation methods¹²⁹

QFAGG data are compiled according to the consolidation method described in the Manual on sources and methods for the compilation of ESA95 Financial Accounts. Deduction of relevant intra-position cells is done when necessary.

4.7 Conversions (euro, foreign currency)

The preferred approach is that currencies are translated into sterling using the rate applicable at the time of the transaction. However, this is frequently impractical and the calculations are based on an average rate. This renders these figures less reliable than those flows denominated in sterling. The estimation of transactions in sterling requires assumptions about the pattern of transactions over the period and movements in the exchange rates.

In some cases, transactions in foreign assets are derived from balance sheet returns, made in sterling, once a year. In the balance sheets, the foreign currency values had been translated at the rate on that day into sterling. These are translated back into local currency, and calculations are made of the implicit net transactions since the previous balance sheet, yielding a figure which then is translated back into sterling at average exchange rates over the period for the financial account.

4.8 Revisions policy or coherence between provisional and final statistics

In the National Accounts, quarterly data are compiled with a time lag of t+3 months. Revisions are taken back to the start of the current or previous financial year, depending on policy needs at particular times. Once a year there is a longer period open for revisions coinciding with ONS' annual publications. From July 2004 the Public Sector Finances section of ONS has adopted a policy of comprehensive revision at any time, with the National Accounts equivalent dataset catching up as and when it can.

¹²⁹ There are two terms of consolidation. In intra consolidation all the transactions and stock positions between institutional units within the boundary of the sector or the sub-sector are eliminated. In inter consolidation all the transactions and stock positions between institutional units between sectors or sub-sectors are eliminated

V Coherence and comparability

5.1 Coherence between financial and non-financial accounts

The difference between net borrowing, as measured from the non-financial and financial viewpoints, is used as a check on the quality of the accounts each time they are produced. Investigations are carried out if the difference is more than £1 billion. Adjustments may be made to F.7, as it is the weakest part of the account.

5.2 Coherence between quarterly and annual data

Annual accounts are automatically formed from quarterly data. Quarterly and annual data are consistent most of the time.

5.3 Comparability with government debt¹³⁰

QFAGG data are generally consistent with Q-debt data. However, the comparison show that for QFAGG data, the instrument AF.331 is not correctly valued (nominal value is used instead of market value).

5.4 Comparability with Monetary Union Financial Accounts (MUFA)

QFAGG is used as an input in the compilation of MUFA.

VI Consistency and plausibility checks on QFAGG data.

6.1 Consistency checks

Frequency	Sys	Occ	N.a.	Int.
Types				
of consolidation : equality between assets & liabilities	X			
between financial and non financial accounts	X			
between quarterly and annual accounts with table 6 & 7 of ESA 95	X			
between quarterly and annual accounts with table 3 of EDP				X

¹³⁰ The compilation of quarterly government debt data is coherent with the provisions of ESA 95 concerning the definition of government sectors, consolidation principles, the time of recording, and of the classification of the financial liabilities. However, its valuation rules are different from those of ESA 95. Indeed, while according to the ESA 95 the stock of government liabilities should be recorded at their market value at the end of the accounting period, the quarterly government debt is to be recorded at nominal value.

Sys = Systematically

Occ = Occasionally

N.a. = Not applicable

Int. = Intend to do so

6.2 Plausibility checks

Types	Frequency	Sys	Occ	N.a.	Int.
on consolidation : calculation of consolidating flows and stocks			X		
between flows and stocks			X		
of growth rates of stocks		X			
of growth rates of flows		X			
of counterpart data in the QFAGG dataset		X			
of the yield on assets and liabilities (property income / stocks)		X			

or/and on liabilities (property income / stocks)

6.3 Major events monitoring

6.3.1 Large transactions

The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.2	-	Assets	Eurostat		00Q02	15 824.00	1.65

*Values are in millions of national currency. There are no transactions above the threshold (2.4 %).

6.3.2 Other economic flows (OEF)

The largest is the following:

ESA codes	Maturity	Assets/liabilities	Source	Explanation	Reference period	Amount * (total series)	% of GDP
F.33	Long-Term	Liabilities	National authorities		99Q03	-11 782.00	1.29

*Values are in millions of national currency. There are no OEF above the threshold (1.6 %).

ANNEXES

Regulation (EC) No 501/2004 of the European Parliament and of the Council of 10 March 2004 on quarterly financial accounts for general government (Text with EEA relevance)*Official Journal L 081 , 19/03/2004 P. 0001 - 0005*

Regulation (EC) No 501/2004 of the European Parliament and of the Council

of 10 March 2004

on quarterly financial accounts for general government

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Central Bank(1),

Acting in accordance with the procedure laid down in Article 251 of the Treaty(2),

Whereas:

(1) Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community(3) 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) The report by the Monetary Committee on information requirements, endorsed by the ECOFIN Council on 18 January 1999, underlined that, for the proper functioning of Economic and Monetary Union and the single market, effective surveillance and coordination of economic policies are of major importance and that this requires a comprehensive statistical information system providing policy-makers with the necessary data on which to base their decisions. That report also stated that high priority should be given to short-term public finance statistics for Member States, in particular those participating in Economic and Monetary Union, and that the objective was the compilation of quarterly government financial accounts following a step-by-step approach.

(3) Quarterly national data of financial accounts (transactions and balance sheets) for the government sector make up a large proportion of all financial transactions and financial balance sheets in the euro area and provide important information to support the conduct of monetary policy. In this respect and for its own purpose the Governing Council of the European Central Bank has adopted regulations and guidelines to safeguard the transmission of infra-annual data on financial statistics and national financial accounts to the European Central Bank.

(4) Counterpart sector information on government financial transactions and balance sheets is required to enable comprehensive analysis of government financing and financial investment by counterpart sector and by instrument.

(5) Commission Regulation (EC) No 264/2000 of 3 February 2000 on the implementation of Council Regulation (EC) No 2223/96 with respect to short-term public finance statistics⁽⁴⁾ and Regulation (EC) No 1221/2002 of the European Parliament and of the Council, of 10 June 2002 on quarterly non-financial accounts for general government⁽⁵⁾ specify the non-financial quarterly data for general government that is to be transmitted to the Commission (Eurostat) by Member States.

(6) Articles 2 and 3 of Regulation (EC) No 2223/96 lay down the conditions under which the Commission may adopt amendments to the methodology of the European System of Accounts in order to clarify and improve its contents. The compilation of government quarterly financial accounts will require additional resources in Member States, and cannot therefore be dealt with by a Commission Decision but should rather be adopted by a specific Regulation of the European Parliament and of the Council.

(7) The Statistical Programme Committee (SPC) set up by Council Decision 89/382/EEC, Euratom⁽⁶⁾, and the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) set up by Council Decision 91/115/EEC⁽⁷⁾ declared themselves in favour of the draft of this Regulation,

HAVE ADOPTED THIS REGULATION:

Article 1

Purpose

The purpose of this Regulation is to list and define the main characteristics of the European System of Accounts (ESA 95) categories of financial transactions and of financial assets and liabilities for the general government sector and for each of the subsectors within general government, to be transmitted to the Commission (Eurostat) quarterly following a step-by-step approach.

Article 2

Compilation of quarterly data: sources and methods

1. With a view to achieving high-quality statistics, quarterly data for financial transactions and for financial assets and liabilities shall be based as far as possible on information directly available within general government. However, quarterly data on unquoted shares (AF.512) and other equity (AF.513), as defined and codified in ESA 95 and held by general government units, may be estimated by interpolating and extrapolating information on the respective annual data.
2. The compilation of quarterly data for financial transactions and for financial assets and liabilities shall comply with the ESA 95 rules, especially concerning the sectoral classification of institutional units, consolidation rules, the classification of financial transactions and financial assets and liabilities, the time of recording, and valuation rules.
3. The quarterly data and the corresponding annual data transmitted to the Commission in accordance with Regulation (EC) No 2223/96 shall be mutually consistent.
4. The quarterly data on financial assets and liabilities are the outstanding amounts of financial assets and liabilities at the end of each quarter.

Article 3

Transmission of quarterly data on financial transactions, financial assets and liabilities

1. Member States shall transmit to the Commission (Eurostat) quarterly data on financial transactions (F.) and on financial assets and liabilities (AF.) for the following list of instruments as defined and codified in ESA 95:

- (a) monetary gold and special drawing rights (SDRs) (F.1 and AF.1);
- (b) currency and deposits (F.2 and AF.2);
- (c) short-term securities other than shares, excluding financial derivatives (F.331 and AF.331);
- (d) long-term securities other than shares, excluding financial derivatives (F.332 and AF.332);
- (e) financial derivatives (F.34 and AF.34);
- (f) short-term loans (F.41 and AF.41);
- (g) long-term loans (F.42 and AF.42);
- (h) shares and other equity (F.5 and AF.5);
- (i) net equity of households in life insurance reserves and in pension fund reserves (F.61 and AF.61);
- (j) prepayments of insurance premiums and reserves for outstanding claims (F.62 and AF.62);
- (k) other accounts receivable/payable (F.7 and AF.7).

2. Member States shall also transmit to the Commission (Eurostat) quarterly data for the central government subsector (S.1311) as referred to in Article 4 as follows:

- (a) quoted shares (F.511 and AF.511), in respect of financial asset transactions and financial assets;
- (b) currency (F.21 and AF.21), in respect of liability transactions and liabilities.

Article 4

Coverage of the general government sector and subsectors

Member States shall transmit quarterly data for the general government sector and its subsectors as defined and codified in ESA 95, as general government (S.13), comprising:

- central government (S.1311),
- State government (S.1312),
- local government (S.1313),
- social security funds (S.1314).

Article 5

Nature of the quarterly data covered by the transmission

1. Quarterly data as referred to in Article 3 shall be transmitted on a consolidated basis for the general government subsectors as referred to in Article 4.
2. Quarterly data as referred to in Article 3 shall be transmitted on both a consolidated and a non-consolidated basis for the general government sector (S.13) as referred to in Article 4.
3. Quarterly data with breakdown by counterpart sector shall be provided for the subsectors central government (S.1311) and social security funds (S.1314) as referred to in Article 4 and described in the Annex to this Regulation.

Article 6

Timetable for the transmission of quarterly data

1. Quarterly data as referred to in Articles 3, 4 and 5 shall be transmitted to the Commission (Eurostat) at the latest by three months after the end of the quarter to which the data relate.
2. Any revision of quarterly data for previous quarters shall be transmitted at the same time.
3. The first transmission of quarterly data as referred to in Articles 3, with the exception of other accounts receivable/payable (F.7 and AF.7), 4 and 5 shall be made in accordance with the following timetable:
 - (a) for the central government subsector (S.1311) and for the social security funds subsector (S.1314), no later than 30 June 2004; the Commission may grant a derogation, not exceeding 18 months, for the starting date of transmission of data with breakdown by counterpart sector and of some data on financial transactions and financial assets and liabilities, in so far as the national statistical systems require major adaptations;
 - (b) for the State government (S.1312) and local government (S.1313) subsectors:
 - (i) no later than 30 June 2004 for the transactions in liabilities and liabilities as detailed under Article 3(1); the Commission may grant a derogation, not exceeding 18 months, for the starting date of transmission of those data, in so far as the national statistical systems require major adaptations;
 - (ii) no later than 30 June 2005 for the transactions in financial assets and assets as detailed under Article 3(1); the Commission may grant a derogation, not exceeding six months, for the starting date of transmission of those data, in so far as the national statistical systems require major adaptations;
 - (c) for the general government sector (S.13), no later than 30 June 2005; the Commission may grant a derogation, not exceeding six months, for the starting date of transmission of those data, in so far as the national statistical systems require major adaptations.
4. The first transmission to the Commission (Eurostat) of quarterly data for other accounts receivable/payable (F.7 and AF.7) and for the general government sector (S.13) and its subsectors as referred to in Article 4 shall be no later than 30 June 2005. The Commission may grant a derogation, not exceeding six months, for the starting date of transmission of those data, in so far as the national statistical systems require major adaptations.

Article 7

Provisions relating to back data

1. Quarterly data as referred to in Article 6 shall cover back data for financial transactions from the first quarter of 1999 and financial balance sheets from the fourth quarter of 1998 in accordance with the timetable specified in Article 6(3) and (4) for the first transmission of data.
2. Where necessary, back data may be based on "best estimates", respecting in particular the provisions of Article 2(2) and (3).

Article 8

Implementation

1. Member States shall provide the Commission (Eurostat) with a description of the sources and methods used to compile the quarterly data referred to in Article 3 (initial description), when they first start to transmit quarterly data in accordance with the timetable referred to in Article 6(3) and (4).
2. Member States shall inform the Commission (Eurostat) of any changes to this initial description when they communicate the revised data.
3. The Commission (Eurostat) shall keep the Statistical Programme Committee (SPC) and the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) informed of the sources and methods used by each Member State.

Article 9

Report

On the basis of the transmission of data referred to in Articles 3, 4, and 5, and after consulting the SPC and the CMFB, the Commission shall, by 31 December 2005 at the latest, submit to the European Parliament and the Council a report containing an assessment of the reliability of the quarterly data delivered by Member States.

Article 10

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

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

Done at Strasbourg, 10 March 2004.

For the European Parliament

The President

P. Cox

For the Council

The President

D. Roche

(1) OJ C 165, 16.7.2003, p. 6.

(2) Opinion of the European Parliament of 21 October 2003 (not yet published in the Official Journal), Council Common Position of 22 December 2003 (not yet published in the Official Journal) and Position of the European Parliament of 10 February 2004 (not yet published in the Official Journal).

(3) OJ L 310, 30.11.1996, p. 1. Regulation as last amended by Regulation (EC) No 1267/2003 of the European Parliament and of the Council (OJ L 180, 18.7.2003, p. 1).

(4) OJ L 29, 4.2.2000, p. 4.

(5) OJ L 179, 9.7.2002, p. 1.

(6) OJ L 181, 28.6.1989, p. 47.

(7) OJ L 59, 6.3.1991, p. 19. Decision as amended by Decision 96/174/EC (OJ L 51, 1.3.1996, p. 48).

ANNEX

BREAKDOWN BY COUNTERPART SECTOR(1)

Central government (S.1311) and social security funds (S.1314) financial transactions and financial balance sheets(2)

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(1) Framed boxes indicate the reporting requirements.

(2) The codes, taken from ESA 95, indicate: S: sectors/subsectors; F: financial transactions; and AF: financial balance sheet items.

European Commission

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