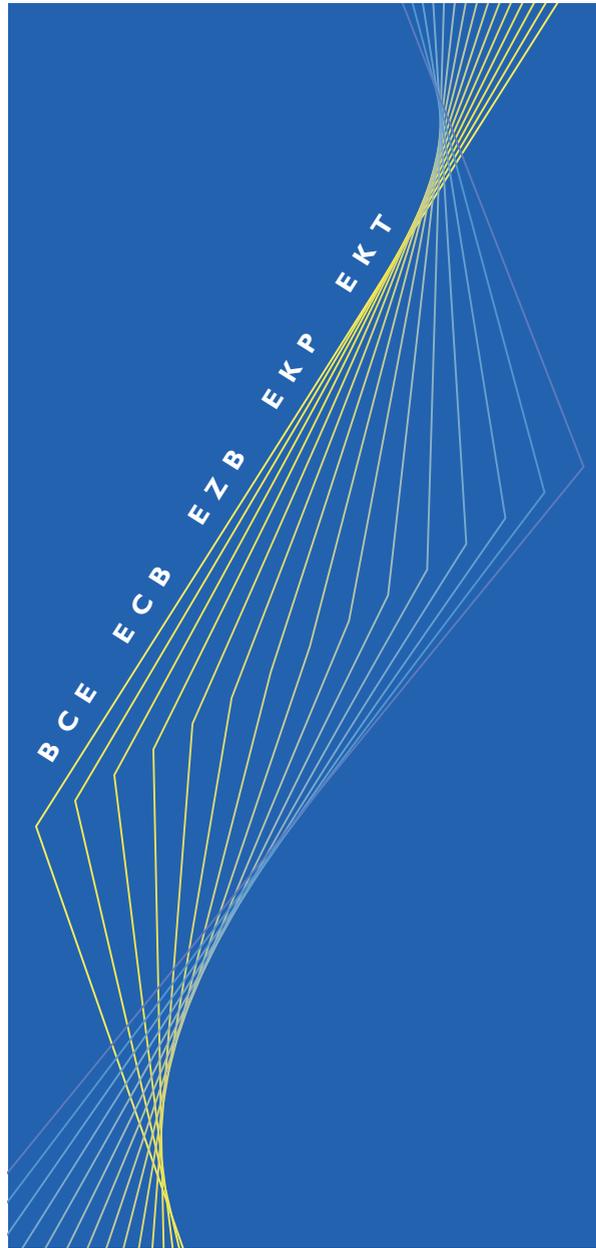




EUROPEAN CENTRAL BANK



**MONEY, BANKING AND
FINANCIAL MARKET
STATISTICS IN THE
ACCESSION COUNTRIES**

METHODOLOGICAL MANUAL

VOLUME I

May 2003



EUROPEAN CENTRAL BANK



THE CURRENT DEFINITION AND STRUCTURE OF MONEY AND BANKING STATISTICS IN THE ACCESSION COUNTRIES

May 2003

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Address	Kaiserstrasse 29 D-60311 Frankfurt am Main Germany
Postal address	Postfach 16 03 19 D-60066 Frankfurt am Main Germany
Telephone	+49 69 1344 0
Internet	http://www.ecb.int
Fax	+49 69 1344 6000
Telex	411 144 ecb d

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List of contributors

Bulgaria

Bulgarian National Bank	Violeta Peicheva Boyka Zagorova Katia Mincheva
-------------------------	--

Cyprus

Central Bank of Cyprus	Eliana Psimolophitou Androulla Melifronidou Christina Nicolaidou
------------------------	--

Czech Republic

Czech National Bank	Zbynek Karnet Iva Chrtkova Magda Gregorova
---------------------	--

Estonia

Bank of Estonia	Liina Seestrandt
-----------------	------------------

Hungary

National Bank of Hungary	Szilvia Veres
--------------------------	---------------

Latvia

Bank of Latvia	Zigrīda Austa Ināra Linde Gunta Andersone
----------------	---

Lithuania

Bank of Lithuania	Gintaras Daugėla Romas Karaliūnas
-------------------	--------------------------------------

Malta

Central Bank of Malta	Jesmond Pule Roderick Psaila
-----------------------	---------------------------------

Poland

National Bank of Poland Anna Lewandowska
Joanna Glowala

Romania

National Bank of Romania Virgil Stefanescu

Slovakia

National Bank of Slovakia Ivana Brziakova
Karol Machacek
Daniela Marekova
Andrea Bernathova

Slovenia

Bank of Slovenia Dušan Murn
Tomo Narat

European Central Bank Alda Morais

Foreword

Background

The initiative to compile a *Manual on the current definition and structure of money and banking statistics in the Accession Countries* (hereinafter referred to as the "Methodological Manual") was launched at the inaugural money and banking statistics seminar with the national central banks (NCBs) of the 12 Accession Countries¹ held at the European Central Bank (ECB) in Frankfurt am Main on 15 and 16 December 1999.

The Manual is divided into two Volumes. This volume (Volume I) presents the current framework for the collection and compilation of monetary statistics and provides information on the legal and institutional background to the compilation of these statistics². It also describes the extent to which the Accession Countries already meet (or will in the near future) the ECB's statistical requirements and compile statistics that are conceptually consistent with the euro area monetary statistics.

The legal framework for the provision of statistics on the balance sheets of monetary financial institutions (MFIs) in the euro area is set out in ECB Regulation ECB/2001/13 of 22 November 2001 concerning the consolidated balance sheet of the MFI sector, as amended, and in ECB Guideline ECB/2003/2 of 6 February 2003 concerning certain statistical reporting requirements of the ECB and the procedures for reporting by the NCBs of statistical information in the field of money and banking statistics. ECB Regulation ECB/2001/13 is addressed to the reporting agents located in the euro area, and sets out in detail the statistical information they are required to submit to the NCB of their country of residence regarding MFI balance sheet statistics in order to meet the ECB's requirements. The Guideline addresses the NCBs located in the euro area ("participating NCBs") and specifies the information (on both MFI balance sheet statistics and on other

money and banking statistics) which must be submitted to the ECB as well as the technical procedures to be followed in the data submissions.

Although the ECB's main tasks relate to the euro area, the ECB also has responsibilities under the Treaty towards Member States of the European Union (EU) which have not yet joined the euro area. It is acknowledged that, on average under "fast track" conditions, it may take two years to implement statistical changes in reporting systems from the time the Member States start discussing the requirements with reporting institutions to their full implementation. Therefore, the work on the changes in the statistical systems needed to meet the requirements for euro area money and banking statistics should begin well in advance, in order to ensure that statistics are available by the time Member States join the euro area.

In order to provide the ECB with harmonised money and banking statistics, the Accession Countries will be required to modify, to varying degrees, the structure of the statistics they currently collect from reporting institutions and to extend their coverage to all those financial institutions that fall under the MFI definition.

It is in this connection that the compilation and regular update of a methodological manual on money and banking statistics in the Accession Countries is seen as a particularly important task that is part of the work necessary to prepare countries for accession to the EU and eventual membership of the euro area.

¹ Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Bulgaria and Romania.

² The first edition of the *Methodological Manual, Volume I*, was published in April 2001. The first edition of *Volume II* (entitled "Current framework for statistics on other financial intermediaries, financial markets and interest rates in the Accession Countries") is being published in conjunction with this Volume.

Aim

The aim of this second edition of the Methodological Manual (Volume I) is to assess developments in the statistical framework for the collection and compilation of money and banking statistics in the Accession Countries (namely the extent to which they are progressively becoming compliant with ECB statistical standards), and thereby to support

the conceptual and practical harmonisation work necessary to prepare these countries for membership of the EU and, eventually, the euro area. The present edition contains information as at end-December 2002, although anticipated changes up to the end of June 2003 are also mentioned.

Structure

The Methodological Manual (Volume I) is divided into 12 country chapters, one chapter per country. Each chapter consists of three parts: Part I deals with the legal and institutional background, Part II with monetary statistics and Part III with the contacts at the NCBs of the Accession Countries.

Part One briefly describes the legal and institutional structure of the NCBs of the Accession Countries and their statistical departments/work. This overview contains information on the further sources of information that are available at the national level, namely the websites where the basic text of the national laws and regulations mentioned can be found.

Part Two presents the national frameworks for the collection and compilation of monetary statistics in the Accession Countries, describing in detail the collection of balance sheet data from monetary institutions and the compilation of the national monetary aggregates and counterparts. Any future plans to adapt the national collection systems to ECB standards are also mentioned.

Part Three lists the contacts at the NCBs to whom any queries concerning the issues described in the respective country chapter should be addressed.

Status of the Manual

In the Accession Countries, the Methodological Manual is available to the general public from the NCB of the country concerned. Other interested parties may request copies from the ECB, at the following address:

European Central Bank,
Press Division
Kaiserstrasse 29, D - 60311 Frankfurt am Main
Fax: + 49 (69) 13 44 7404

The Methodological Manual is also available on the ECB's website (<http://www.ecb.int>).

The Methodological Manual is available only in English, with translations into national languages left to the discretion of the NCBs of the Accession Countries.

Introduction to the country chapters

I Legal and institutional background

This part provides a short overview of the legal and institutional structure of the NCBs of the Accession Countries and, in particular, their statistical departments/work.

I.1 Organisational structure

This section provides a brief description of the organisation of the NCBs (see the organisation chart(s) at the end of each country chapter). It also gives a detailed description of the organisation of the statistical departments/work at the NCBs, focusing on those areas responsible for the compilation of money and banking statistics.

I.2 Legal background

This section analyses the national legal background for the activities of the NCBs, indicating the most important national laws, regulations and specific provisions that provide the framework for their activities. Where applicable, the website is indicated where the basic text of the laws and

regulations mentioned in this section can be found.

I.3 Institutional aspects

This section introduces the NCBs and briefly describes their role, functions and responsibilities (e.g. statutory responsibility, banking supervision and activities vis-à-vis the Government and other public bodies). The main activities relating to macroeconomic statistics carried out by the NCBs and by other public authorities (including the co-operation between them) in the area of money and banking statistics, reserve base statistics, financial accounts, balance of payments statistics and prudential supervision are also indicated. The statistical data collection and compilation of the above-mentioned areas of statistics are described (as shown in Table I). This description covers the type of data collected, the frequency and timeliness, the relevant sources of data, the collecting agents, the users of the statistics produced and an overview of the statistical data collection and compilation systems (e.g. the media of data collection).

2 Monetary statistics

This part presents the current framework for the collection and compilation of monetary statistics in the Accession Countries. It describes in detail the collection of balance sheet data from monetary institutions and the compilation of national monetary aggregates and counterparts.

2.1 Legal background and statistical standards

This section analyses the national legal background to monetary statistics, indicating the national laws, regulations and specific provisions that apply to monetary statistics. Where applicable, the website is mentioned where the basic text of the laws and

regulations mentioned in this section can be found. It also indicates the statistical standards followed in the field of monetary statistics, including international statistical standards (ESA 95, SNA 1993 and the IMF Manual on Monetary and Financial Statistics).

2.2 Concepts and definitions

This section analyses a number of concepts and definitions for monetary statistics. Regarding the residency principles for the purposes of monetary statistics, it presents the definition of the economic territory and provides the exact boundaries of the economic territory compared with the geographic territory. It also defines the concept of residency for both natural persons

and enterprises (in particular, the residency of foreign branches of domestic banks and the residency of domestic branches of foreign banks). With respect to the sectorisation principles of monetary statistics, it presents the sectors into which the national economy is split for the purposes of compiling monetary statistics (as shown in Table 2). It also indicates how this breakdown corresponds to the ESA 95 and to the ECB classification of ESA 95 sectors into money-creating, money-holding, money-neutral and non-resident sectors (as shown in Table 3). Where relevant, deviations between the sectors of the national economy and the ESA 95 are briefly explained.

2.3 Population of monetary institutions

This section describes the money-creating sector within monetary statistics. The national definition of a credit institution (bank) and the legal references to the definition are given. Any other monetary institutions which are not commonly known as credit institutions (banks), but which are nevertheless included in the money-creating sector (e.g. money market funds), are also defined. For each category of credit institutions and of other monetary institutions indicated, the number of institutions is provided in Table 4. It is also indicated whether deposit liabilities of central government units (e.g. Post Office savings accounts of the Treasury or the Post Office) are included in the measures of money.

2.4 Banking business: general deposits/ other products

This section outlines the general deposit and other banking products offered by credit institutions and by other monetary institutions.

2.5 Statistical balance sheets of the monetary institutions

This section describes the main statistical balance sheet items (liabilities and assets) and

their breakdown by instrument/maturity, counterparty and currency.

2.6 Measure(s) of money: definitions and remarks

This section defines the main measures of money, from the narrowest to the broadest aggregates. The corresponding instrument breakdown for each aggregate is listed in Box 1. It also describes how holdings of negotiable instruments issued by monetary institutions (i.e. any negotiable instruments which are freely transferable, such as cash, certificates of deposit, commercial bills and other bearer paper), are explicitly or implicitly allocated between the various economic sectors.

2.7 Counterparts of money

This section analyses the counterparts of money (net external assets, domestic credit – net claims on the central government, claims on the private sector – other net items). This information is shown in Box 2. The classification available on credit to domestic residents (by sector, type and maturity) is also provided.

2.8 Reserve money

This section describes the relevant concepts of reserve money (reserve money, base money, monetary base) compiled by the NCBs of the Accession Countries.

2.9 Reporting procedures

This section describes the reporting procedures for the compilation of monetary statistics. It covers the specific legal or other regulatory powers granted to the NCB and to other agents with respect to collecting data from the monetary institutions for the compilation of monetary statistics. It also describes the reporting coverage of the population of monetary institutions for the balance sheet data.

Table 5 shows the number of reporting institutions per category of monetary institution and their contribution to the total of the category and to the total balance sheet of all institutions. This section also describes the reporting schemes for monetary statistics by type of monetary institution. This description covers the reporting population (the reporting coverage), the data collected (e.g. full balance sheet data or selected components), the frequency and timeliness, the methodological and accounting rules and the medium of data collection (e.g. paper, electronic).

2.10 Data processing and compilation methods

This section provides information on the basis of calculation (e.g. end-of-period data, mid-

period, average data), the revision procedures applicable to monetary statistics and the compilation of flows statistics, where applicable (in particular how adjustments for breaks in series and other adjustments are made). This section also addresses the seasonal adjustment of data.

2.11 Publications

This section indicates how monetary statistics are first released to the public (e.g. source, type of data released, format, time and medium of the publications). It also indicates the main weekly/monthly publications for monetary statistics, where these differ from the first publication, as well as any other relevant statistical publications for monetary statistics.

3 Contacts at the national central bank of the Accession Country

This part lists the contacts at the NCBs of the Accession Countries, to whom any queries concerning the issues described in

the respective country chapter should be addressed.

Summary of progress made in terms of implementation of the ECB's statistical reporting requirements

Introduction

This chapter provides a summary assessment of recent progress made by the Accession Countries in the implementation of the ECB's statistical requirements. It highlights a number of key issues in the statistical practices followed by the Accession Countries in the compilation of their national statistics when

compared to the statistical requirements of the ECB. References to practices in the Accession Countries correspond to the situation as at end-December 2002, but reflect, where appropriate, existing plans for changes to the statistical systems up to the end of June 2003.

Statistical standards followed in the Accession Countries

ECB requirements. The ECB Regulation ECB/2001/13 concerning the consolidated balance sheet of the MFI sector (as amended) sets out in detail the ECB's requirements for euro area money and banking statistics. The Regulation establishes the statistical standards according to which statistical data must be collected and compiled in order to meet ECB requirements. The Regulation comprises two main elements: (i) the definition of the reporting population for monetary statistics; (ii) a specification of the statistical information that reporting agents located in the euro area are required to submit to the NCB in their country of residence in order to meet those requirements. Where appropriate, the ESA 95 constitutes the main reference work for euro area money and banking statistics, in terms of the classification by instrument and sector. In respect of the classification by sector, a very close link between ESA 95 and euro area money and banking statistics is ensured by the inclusion of the MFI sector as defined by the ECB in the ESA 95. Hence, the definition of the reporting population for monetary statistics (the MFI population) is fully transposed into the ESA 95 sectorisation, corresponding to the sub-sectors S121 (The central bank) and S122 (Other monetary financial institutions). The accounting rules followed by MFIs in drawing up their accounts comply with the national transposition of the EU Bank Accounts Directive together with any other applicable international accounting standards, such as the International Accounting Standards (IAS) developed by the International Accounting Standards Board (IASB). Further recommendations to national compilers regarding the standards to be followed in euro area money

and banking statistics (valuation of instruments, netting procedures, time of recording, etc.) may be found in the Guidance Notes to the ECB Regulation ECB/2001/13 (ECB, November 2002).

Several Accession Countries have already adopted the statistical recommendations of the ESA 95 and have broadly harmonised the compilation of monetary statistics in line with ECB requirements (this refers only to stocks; progress is less well advanced with regard to flow statistics – see below). This is the case in the Czech Republic, Estonia, Hungary, Latvia, Poland and Slovakia. Individual developments indicated by some of the countries concerned are as follows:

- The Czech Republic has indicated that the requirements in the field of balance sheet stock statistics contained in ECB/2001/13 have already been adopted for banks (in fact, the national requirements cover more than what is required by the ECB). Table I is compiled on a regular basis, while the preparatory work on the compilation of the other tables on stocks is progressing well.
- In Hungary, monetary statistics will satisfy the ECB criteria related to monetary statistics in the course of 2003.
- Latvia is also already compiling monetary and banking statistics in accordance with ECB/2001/13 (only the sector classification used still differs slightly from the

institutional breakdown in the ESA 95), as this country has adopted a new Regulation requiring the information needed to prepare Tables I to 4 of ECB/2001/13.

- The same applies to *Slovakia*, which has been receiving stock data fully in line with ECB/2001/13 since January 2003.

In terms of accounting rules, a number of Accession Countries (*Bulgaria, Cyprus, Czech Republic, Malta, Latvia, Estonia, Poland, Slovakia and Slovenia*) have indicated that their countries have already adopted the EU Directives on accounting³ and the IAS.

The other Accession Countries still lack full harmonisation of their monetary statistics with the ECB requirements. However, the work towards harmonisation in this area is in general already well underway (only *Romania* has not indicated any plans about the implementation of ECB requirements):

- In *Bulgaria*, 2003 will be a transitional year for the implementation of the ECB requirements regarding stock data, with work on the full harmonisation with ECB standards having already started. The envisaged changes aim at obtaining full compliance with the sector classification of the ECB, the identification of the balances dominated in euro, USD and other foreign currencies, and the maturity breakdown used by the ECB. Indeed, in some aspects the national requirements will cover more than what is required by the ECB.
- In *Cyprus*, a Sector Manual in accordance with the ESA 95 is now being finalised, which will be used both to implement the ECB's statistical requirements and to compile the financial accounts. The work on the harmonisation of monetary statistics with ECB requirements has already begun with the creation of a joint working

committee in charge of the design and introduction of a new reporting scheme. This scheme will permit the collection of all the necessary data from MFIs, thus satisfying both the ECB's statistical requirements and the supervisory needs of the Central Bank of Cyprus (CBC). Harmonised data is scheduled to be compiled upon accession. The revision of the statistical framework will allow full compliance with the Regulations and Guidelines of the ECB, the IMF Manual on Monetary and Financial Statistics (2000), as well as with the statistical requirements of the Bank for International Settlements.

- *Malta* plans to achieve full harmonisation with the ESA 95 and the latest ECB statistical standards by mid-2003. The period between mid-2001 and mid-2003 has been dedicated to designing and making the necessary preparations for the implementation of new reporting returns that will satisfy the current ECB requirements.
- *Lithuania* has developed draft versions of new reporting returns and instructions in line with the ECB requirements set out in ECB/2001/13. These reporting returns are addressed to credit institutions subject to minimum reserves and are expected to be adopted in 2003.
- *Slovenia* has adopted a Regulation introducing the classification of institutional sectors in line with the ESA 95. Since 2000, a gradual alignment to the ECB standards has taken place, including major changes to the reporting scheme, which already enables the calculation of harmonised monetary aggregates and their counterparts.

³ e.g. the Council Directive of 8 December 1986 on the "Annual accounts and consolidated accounts of banks and other financial institutions" (86/635/EEC).

The residency principle

ECB requirements. The residency principles applied by the respective countries also follow the ESA 95 and SNA 1993 (and, consequently, the IMF Balance of Payments Manual, 5th edition), whereby the country of residence of an institutional unit is determined by its centre of economic interest.

In terms of the application of the residency principles within money and banking statistics, particular attention should be paid to the treatment of financial institutions located in offshore centres (understood as territories with banking sectors dealing primarily with non-residents and/or in foreign currency, on a scale out of proportion to the size of the host country). In the framework of euro area money and banking statistics, offshore institutions are treated statistically as residents of the territories in which they are located, just like any other resident institution.

International or administered banking units (IBUs/ABUs) in Cyprus, which are mainly branches of foreign banks or subsidiaries of foreign banks incorporated in Cyprus, have always been considered as non-resident institutions because they are required to confine themselves to transactions denominated in currencies other than CYP, and primarily to customers that are not residents of Cyprus⁴. For this reason, these institutions are not currently part of the

reporting population for the compilation of monetary statistics. However, since January 2002, when the new statistical definition of residency set out in a new directive entered into force, IBUs/ABUs have been considered as resident for b.o.p. and international investment position (i.i.p.) statistical purposes. This definition will also be adopted for monetary statistics, in the context of the full implementation of the ECB's statistical requirements (scheduled to be completed upon accession). The full harmonisation process will be facilitated by the abolition of the Exchange Control Law upon accession.

Until recently, most offshore non-banking institutions in Malta were treated as non-residents because, although the place of registration of such companies was Malta, they were not seen as having a centre of economic interest in the country. As from 2003, any firm that either prepares a set of accounts, pays income tax in the country or expects to have a presence there for one year or more, is seen as having a centre of economic interest in Malta and, consequently, considered as resident. Thus, there will no longer be a distinction between offshore and onshore companies. In fact, according to the law, all licensed offshore business may only continue to operate until 2004 at the latest. For the moment, there is only one international (offshore) bank operating in Malta.

The population of monetary institutions and some borderline cases

ECB requirements. The ECB calculates the euro area monetary aggregate M3 as the amount of currency in circulation plus other monetary liabilities issued by the resident money-issuing sector (in the case of deposits, also certain liabilities issued by central government) that are held by the resident money-holding sector. In this context, the resident money-issuing sector corresponds to the euro area monetary financial institutions (MFIs), the resident money-neutral sector to the euro area central government, and the resident money-holding sector to the euro

area residents except MFIs and central government. The MFI sector comprises, in addition to central banks, credit institutions as defined in Community Law and other MFIs, with the other MFIs in practice comprising money market funds (MMFs) plus a few other institutions.

⁴ As from 1 January 2001, IBUs and ABUs have been permitted to grant medium and long-term loans in foreign currencies to residents.

The MFI definition is currently being implemented by all Accession Countries in the context of the compilation of the provisional List of MFIs in the Accession Countries⁵. In respect of the first part of the definition concerning credit institutions, the ongoing integration of the *acquis communautaire* into national legislation ensures that the EU concept of credit institutions is either already applicable or will soon be so in the Accession Countries. Furthermore, regarding MMFs, many Accession Countries have taken steps to implement this concept into their statistical systems.

Credit institutions: some borderline cases

For the reasons mentioned above, IBUs/ABUs in *Cyprus* are still considered as non-resident with regard to monetary statistics. Currently, they are not included in the reporting population for monetary statistics and do not belong to the money-creating sector (although they are banks, licensed to carry out banking business from within *Cyprus*). The abolition of the Exchange Control Law will enable the CBC to consider IBUs/ABUs as resident institutions with regard to monetary statistics by accession. Co-operative credit and savings societies (CCSSs) in *Cyprus* are also currently not included in the reporting population for the compilation of monetary statistics (although they account for about one-third of the total deposits in *Cyprus*)⁶. The other financial institutions (OFIs) sector, which used to include specialised banks and designated financial institutions, ceased to exist in *Cyprus* in September 2001. These institutions have been reclassified as credit institutions within the domestic bank (DB) sector. Hence they are included in both the money-creating sector and the monetary aggregates. Finally, it should be noted that there are two DBs that hold a restricted banking licence and are not currently included in the money-creating sector. IBUs, ABUs, CCSSs and the two DBs with a restricted banking licence (which are included in the

provisional List of MFIs because they fulfil the definition of credit institutions) will, upon accession, form part of the reporting population in the area of money and banking statistics.

In the *Czech Republic*, credit unions (called savings and credit co-operatives) are classified as belonging to the MFI sector and included in the provisional List of MFIs, but will only be included in the money-creating sector in the money and banking statistics as from 2004. However, the number of active credit unions is constantly declining⁷. As the amount of deposits with credit unions is approximately only 0.1% of the total bank deposits of the resident money-holding sector, it might be more cost-effective to apply the cutting-off-the-tail principle to these institutions.

As from 2003, credit co-operatives in *Romania* will no longer be excluded from monetary statistics coverage because they are now subject to the central bank's regulations and supervision. The central bodies of such credit co-operatives (covering a network of several hundred individual co-operatives) will start reporting the necessary monetary data. So far, only one central body has been authorised, but the process of granting licenses to other such bodies will continue in the near future.

In *Slovenia*, the 2 savings banks and 28 savings and loan undertakings (which provide services to a limited circle of clients) are not included in the money-creating sector in national monetary statistics, because of the partly

5 A provisional List of MFIs in the Accession Countries was first published in 2001, with the reference date end-December 2000. Updated versions have been published since then on an annual basis.

6 The main reason being that they are neither subject to the supervision of the NCB nor to the prudential standards that apply to credit institutions. CCSSs have indirect access to monetary credit through the Co-operative Central Bank (which acts as their central bank) but are not subject to the regulations issued by the Central Bank of *Cyprus*.

7 As at December 2002, there were only 46 credit unions operating without restrictions and one operating under compulsory management. The number of credit unions included in the provisional List of MFIs in December 2000 was 79.

incomplete breakdown of their accounts in the past and non-compliance with the banking law. These are indeed very small monetary financial institutions, whose aggregated balance sheet has never exceeded 2% of the balance sheet of the commercial banks. The harmonisation of these institutions with the banking law provisions will be achieved in 2004, making it feasible to include them in the money-creating sector in line with the ECB requirements.

Credit unions in *Latvia* do not fall under the category of credit institutions. These are co-operative associations with a variable number of members and capital, established to provide financial services to their members as stipulated by the Law on Credit Unions. They are, however, included in the reporting population for money and banking statistics.

Co-operative-type institutions in *Estonia* also do not fall under the category of credit institutions. They cannot receive deposits from the public, only from their members. They may also only grant loans to members, and their activities are restricted to a certain territory. Although there are currently 11 such institutions, only two of them voluntarily submit balance sheet data on a monthly basis. These two are included in the calculation of Estonian monetary aggregates.

Money market funds

A preliminary analysis made by *Poland* has shown that the criteria of the MMF definition are fulfilled by some investment funds, although the NCB still does not collect any information from them and they are not included in the provisional List of MFIs. The value of their assets (total) is being monitored, but at present this business is marginal in comparison with the deposits placed with the banking sector.

In *Hungary*, MMFs have been identified and included in the provisional List of MFIs since

June 2002, but have been included in the money-creating sector of money and banking statistics since the beginning of 2003. The national definition of an MMF is identical to the ECB definition.

In the *Czech Republic*, MMFs are identified and included in the provisional List of MFIs but will only be included in the money-creating sector of money and banking statistics as from 2004. The value of total funds collected by MMFs is approximately 4% of the total bank deposits of the resident money holding sector (this share has been rising constantly over the last two years). The national definition of MMFs should be fully harmonised with the ECB definition in the Czech legal system as from 2004. In the meantime, MMFs have started to harmonise their statutes with the ECB definition.

A legal definition of an MMF has not yet been implemented in *Estonia*. For statistical purposes, i.e. for the compilation of the provisional List of MFIs in the Accession Countries, the NCB has analysed a number of mutual investment funds in order to select the ones that correspond to the ECB definition of an MMF. Data on the selected MMFs are, however, not yet included in the calculation of monetary aggregates.

Along the same lines, the five MMFs operating in *Malta* are also not yet included in the process of compiling money and banking statistics, but have been included in the provisional List of MFIs in the Accession Countries.

Currently no MMFs have been identified in *Cyprus*. However, in the context of the ongoing co-operation between the CBC and the Securities and Exchange Commission, the latter will inform the CBC whenever it issues a licence to an MMF.

At present no MMFs have been identified in *Bulgaria, Lithuania, Latvia, Slovenia, Slovakia and Romania*.

Statistical balance sheets of monetary institutions

ECB requirements. ECB Regulation ECB/2001/13 (as amended) requires MFI balance sheet statistics to be collected with the following breakdown by instrument: on the liabilities side, currency in circulation / deposits / debt securities / money market fund units and shares / capital & reserves / remaining liabilities. The instrument breakdown on the asset side is very similar although a different terminology is used, resulting in the following categories: cash / loans / securities other than shares / shares & other equity / fixed assets / remaining assets. This breakdown is broadly consistent with the ESA 95. A further breakdown by counterpart sector (ESA 95-consistent), maturity (at 1 and 2 years) or period of notice (at 3 months and – optionally – 2 years notice) and currency (euro / other) is required in respect of liability items in order to calculate monetary aggregates. Various breakdowns are also required in respect of asset items.

The statistical balance sheets of the money-issuing sector in the Accession Countries generally follow the basic categorisation required for the purposes of compiling the consolidated balance sheet of the MFI sector. In most cases, there is a sufficiently high level of detail available by instrument, maturity and counterpart sector to compile data consistent with the breakdowns required in ECB/2001/13. In some cases, the national requirements even go beyond what is required by the ECB (e.g. the *Czech Republic*). As the statistical balance sheets reflect national financial market conditions and are adapted to meet specific national requirements, there are of course a number of breakdowns and categories that still differ from those identified in ECB/2001/13. However, countries where this is the case are, in general, planning to require breakdowns consistent with ECB/2001/13 from reporting

agents (cf. *Poland* and *Slovenia*, for example, as from the end of 2003 and 2004, respectively).

A vital issue is the breakdown of deposit liability items vis-à-vis the (potential) money holding sector by original maturity. Original maturity is a concept used by almost all Accession Countries. Until recently, the notable exception was *Cyprus*, but most banks no longer use residual maturity, with the remaining banks expected to adopt original maturity, upon implementation of Regulation ECB/2001/13. Examples of the original maturity cut-off points used are as follows: *Bulgaria* (at 2 years), *Czech Republic* (at 3 months and 1, 2, 4 and 5 years), *Estonia* (at 1, 2, 3 and 6 months and 1, 2, 3, 5 and 10 years), *Hungary* (at 1 and 2 years), *Latvia* (at 6 months and 1, 2 and 5 years), *Malta* (at 3 and 6 months and 1, 2, 3, 4 and 5 years), *Romania* (simply 'short-term' and 'long-term'), *Poland* (at 1, 3 and 6 months and 1 and 2 years), *Slovakia* (at 1, 3, 6, 9 months and 1, 2, 3, 4, 5 and over 5 years) and *Slovenia* (at 1, 3 and 6 months and 1 and 2 years).

The currency breakdown is also important. The currency breakdown of liabilities is generally restricted to the separate identification of balances denominated in local currency and those in all foreign currencies combined (except for deposits in *Malta*, which are broken down into various denominations). Balances denominated in euro are usually not separately identified. The exceptions are the *Czech Republic*, *Slovakia* and *Hungary* (where a split between domestic / euro / other foreign currency has already been introduced), *Estonia* and *Latvia* (which have introduced a breakdown by individual currency – including the euro – for the main balance sheet items).

Sector allocation of holdings of negotiable instruments

ECB requirements. ECB Regulation ECB/2001/13 does not require reporting institutions to identify the actual holders of their issues of negotiable instruments (except MFI holdings), in view of the difficulties in tracking their trade on secondary markets. However, in the compilation of euro area monetary aggregates, an adjustment (for the holdings by non-residents) is made to debt securities with a maturity of up to two years. This adjustment is made using aggregated information on holders provided by NCBs (where available) and security-by-security information provided by the two major international securities settlement systems. A similar adjustment, using memo item data supplied by NCBs, was until recently made to deduct non-resident holdings of money market fund shares/units from M3 in the published monetary statistics. However, ECB Regulation ECB/2002/8 of 21 November 2002, amending ECB/2001/13, requires MFIs (and OFIs, when acting in the context of financial activities involving MMF shares/units) as from May 2003 to provide NCBs with necessary data on the residency breakdown of holders of MMF shares/units.

In most Accession Countries (e.g. Estonia, Latvia, Lithuania, Malta, Slovenia), national banknotes and coins (in all cases issued by the NCB and by the government, respectively) are the only “transferable instruments” included in monetary aggregates. The amount held by the public is

usually determined as the difference between banknotes and coins issued and those held by the monetary institutions. Further allocation of banknotes and coins among sectors is not made. Therefore, national notes and coins held by non-residents are usually considered as being held by residents and are included in the monetary aggregates. The circulation of banknotes denominated in other currencies (euro, US dollar) is not measured.

Other types of transferable instruments are included in the monetary aggregates in a number of Accession Countries. These may cover certificates of deposit, commercial paper and bank bearer bonds. Usually a full sector breakdown of their holders cannot be derived. At best, a breakdown by the sector of the first holder is made, such as for debt securities issued in Bulgaria⁸ or certificates of deposits in Romania⁹. In Cyprus, debt securities issued by domestic banks and traded on the Cyprus Stock Exchange are mainly distinguished into those held by provident funds, legal and natural persons. In the Czech Republic, data on all securities issued by banks have been collected. However, a sector breakdown by current holder is not available for some types of securities. Finally, the Bank of Latvia, in collaboration with the Latvian Central Depository, plans to start collecting data on holders of securities in 2003.

Compilation of flow statistics

ECB requirements. The ECB publishes a wide range of euro area statistics in the ECB Monthly Bulletin and on its website, both as amounts outstanding and as flows. These flow statistics allow monetary analysis to focus on the actual financial transactions between the MFI sector and the other economic sectors. For this purpose, the ECB removes purely statistical phenomena from stock data (i.e. non-transactions) which do not imply a transfer of financing between sectors. The framework for the derivation of euro area money and banking flow statistics consists of adjusting the difference between stocks at the

end of the current and the previous end-months for the non-transactions that have occurred during this period. There are three types of non-transactions:

- Reclassifications and other adjustments (e.g. changes in the composition of the statistical reporting population, changes in structure,

⁸ A distribution by sector of actual holders based on data from the Central Depository of Bulgaria is planned for the future.

⁹ However, due to their full transferability, it is not possible to have an accurate breakdown of the current holders.

changes in the sector classification of MFI counterparties, other changes arising from the reclassification of assets and liabilities, corrections of reporting errors), as reported by the NCBs to the ECB according to ECB Guideline ECB/2003/2¹⁰;

- Exchange rate changes (changes in the value of assets and liabilities denominated in a foreign currency due to a change in the exchange rate of the euro vis-à-vis foreign currencies) – the ECB calculates a “standard adjustment” using quarterly data reported to the ECB under ECB/2001/13; and
- Price revaluations (e.g. changes in the valuation of negotiable instruments caused by a change in their price – except the effect of exchange rate changes) and loan write-offs/write-downs. MFIs provide the ECB with data on revaluation adjustments according to ECB/2001/13.

Only a limited number of Accession Countries have already started preparing (or are further improving) flow statistics using the methodologies set by the ECB:

- During 2003, a new data collection system for flows statistics will be implemented in *Estonia*. Data on non-financial transactions (divided into reclassifications, other adjustments and price revaluation changes) will be collected directly from reporting agents; all the necessary breakdowns needed to compile ECB flows statistics should be available.
- *Hungary* eliminates from the differences in stocks the effects of write-off/write-downs reported by credit institutions and the effects of exchange rate changes. The methodology of calculating flows is under revision because it is not uniform across versions of published statistics. As from 2003, credit institutions will be able to submit all tables relating to the breakdown of flows requested in ECB/2001/13.
- The *Czech Republic* completed in 2002 the preparatory work for the data collection and compilation of flow statistics derived

from the MFI balance sheet stock statistics in compliance with ECB/2001/13. Data will initially be collected in a testing regime and the full changeover to the standard reporting regime is envisaged for mid-2003. The collection of flow data from MMFs in compliance with ECB/2001/13 is, however, not yet under consideration.

- *Poland* is finalising the statistical preparations necessary to compile flow statistics as far as possible in accordance with the requirements set out in ECB/2001/13.
- In *Lithuania*, a new data collection system for flows statistics is being developed. This system should cover data on price revaluations and loan write-offs/write-downs, as well as on reclassifications and other adjustments collected directly from reporting agents. The new reporting returns and instructions in line with the ECB regulatory framework, which will be addressed to credit institutions subject to minimum reserves, will in principle be adopted in 2003.

The remaining Accession Countries in general only produce flow data for analytical purposes, although some of them have already indicated plans to adopt the ECB methodology in the near future:

- *Bulgaria* also performs some statistical adjustments of data (changes in classification, write-offs, etc.), but for analytical purposes only (these data are not part of the published official monetary statistics).
- *Malta* and *Slovenia* have indicated that currently flow statistics are not compiled, although major breaks in published data are usually identified and explained. *Malta*

¹⁰ Guideline of the ECB concerning certain statistical reporting requirements of the ECB and the procedures for reporting by NCBs of statistical information in the field of money and banking statistics (ECB/2003/2).

has, however, indicated plans to compile flow statistics as from mid-2003.

- In *Slovakia*, the methodological aspects of data collection will be under preparation during the first half of 2003.
- In the case of *Latvia*, the data is intended for the NCB's own use only and not for publication. In order to obtain true flows for monetary analysis purposes, this country adjusts the main items of the credit institutions' aggregated balance sheet for valuation effects arising from changes in the exchange rates of the national currency against foreign currencies. Where changes occur due to reclassification or changes in the reporting population, the stocks of data can also be adjusted according to the characteristics of the time series. In cases where adjustments are difficult, they are not made for past periods. In 2003, Latvia plans

to remove effects arising from changes in the prices of securities and write-offs and write-downs of loans from statistical data.

- In *Cyprus*, during the process of monthly monitoring of banks' balance sheets, certain changes due to reclassifications, revaluations and write-offs/write-downs are identified and used for internal analysis. As far as reclassifications are concerned, stocks of data for past periods are adjusted accordingly if the need arises. The ECB's requirements for the derivation of flow statistics will be fulfilled in the context of the implementation of Regulation ECB/2001/13. The first harmonised flow statistics are scheduled to be compiled upon accession to the EU.

Only *Romania* has not indicated any plans to improve and/or start compiling flow data.

Seasonal adjustment of series

ECB practice. Besides the publication of series on non-seasonally adjusted monetary aggregates (both as levels outstanding and flows), the ECB also publishes seasonally adjusted levels and flows of these aggregates using X-12-ARIMA¹¹. The seasonally adjusted series comprise M1, M2-M1, M2, M3-M2, M3 and "Loans to other euro area residents (excluding government)" (for further details on these seasonally adjusted series, see the technical notes to Table 2.4 in the ECB Monthly Bulletin and the ECB publication "Seasonal adjustment of monetary aggregates and Consumer Price Indices (HICP) for the euro area". August 2000).

Almost all Accession Countries perform some type of seasonal adjustment of data, although sometimes only for analytical purposes and, therefore, not intended for publication. The only countries not using techniques for the seasonal adjustment of data are *Romania* and *Estonia*.

- *Hungary* intends to start publishing seasonally adjusted data for monetary aggregates at the

latest in June 2003. The seasonal adjustment will be carried out using the TRAMO/SEATS software package.

- Data in *Bulgaria* are seasonally adjusted for analytical purposes only and do not form part of the officially published monetary statistics.
- *Cyprus* publishes (on an annual basis only) seasonally adjusted growth rates for the following series (using the X-11 method of the Bureau of the Census, Washington DC): currency in circulation, demand deposits, primary liquidity, quasi-money, total liquidity and claims on the private sector.
- The *Czech Republic* seasonally adjusts reserve money and credit issuance data in its banking statistics. However, these adjusted time series data are not published

¹¹ For internal purposes, multiplicative models of TRAMO-SEATS are also used.

regularly, except for the increment in the national monetary aggregate M2 and the increments in adjusted credits in inflation reports. The adjustment procedure covers seasonal factors, which are calculated as average relative deviations from the series, smoothed by the centred average method. These factors are checked once every two years and, in the event of significant changes, are corrected. Seasonal adjustment is applied for analytical purposes. The current method was chosen because of its simplicity. More complex methods – X-12-ARIMA and TRAMO/SEATS – have been tested with similar results. The regular official publication of seasonally adjusted data is under preparation.

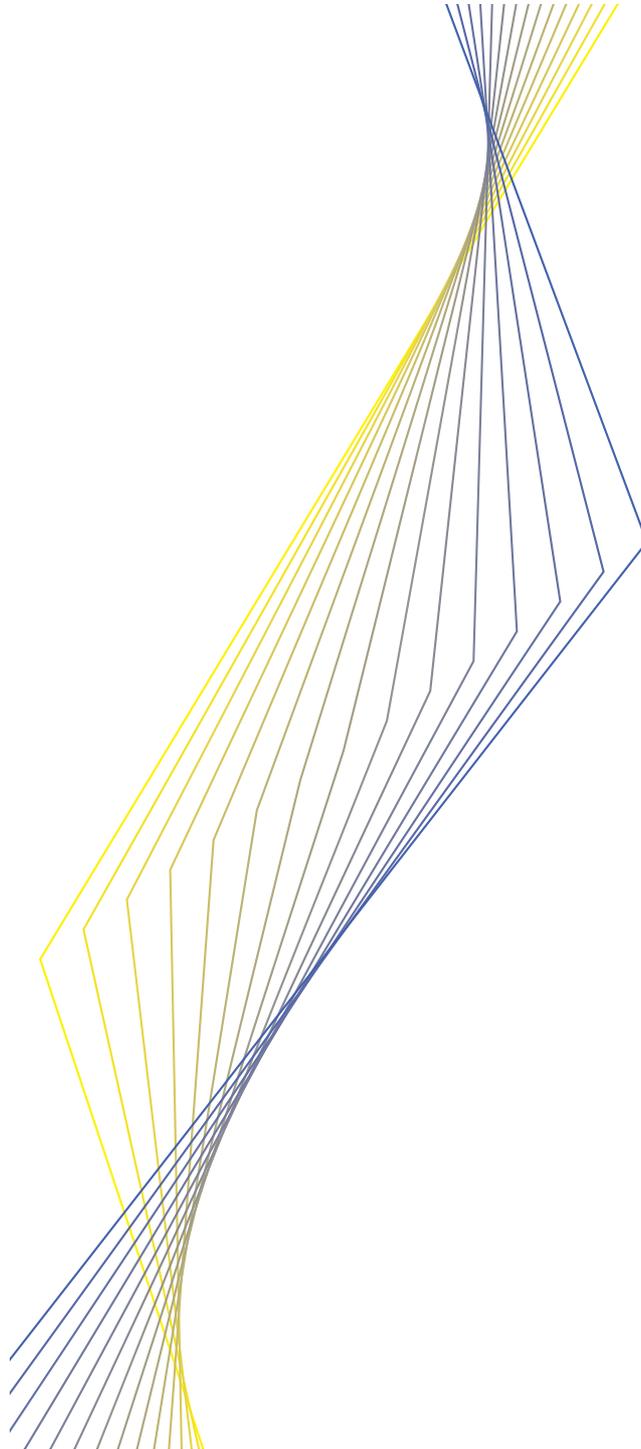
- *Latvia* seasonally adjusts monetary aggregates (M1, M2D and M2X in accordance with the national definitions) using the automated software packages TRAMO/SEATS for WINDOWS and DEMETRA. Since time series are too short, seasonally adjusted time series are not published, but are used internally for the purpose of analysis.
- In *Lithuania*, officially published data on monetary aggregates and their counterparts are not seasonally adjusted. The possibility of official publication is under investigation.
- In *Malta*, published data are not seasonally adjusted, but occasionally seasonally

adjusted series (using Census-X11) are used in the graphical illustration of certain monetary statistics.

- *Poland* has been publishing seasonally adjusted figures since December 1999 for the following series: monetary aggregates M0, M1 and M3, claims of commercial banks on total domestic sectors, households and non-financial corporations, liabilities of commercial banks to total domestic sectors, households and non-financial corporations. Seasonally adjusted time series are calculated with the SAS system using the X-11 method of seasonal correlation and decomposition.
- The seasonal adjustment of time series from the relational database using TRAMO/SEATS has been automated in *Slovenia* since the beginning of 2001. Seasonally adjusted series on national monetary aggregates are published in monthly bulletin charts.
- *Slovakia* has started producing seasonally adjusted time series of currency in circulation and overnight deposits, at present for internal use only. Owing to the insufficient length of existing time series, a multiplicative seasonal decomposition method was applied for each time series, separating them into trend-cycle, seasonal, and random components. Regular publishing and the use of a higher-quality tool (TRAMO/SEATS or X-12-ARIMA) are under preparation for 2003.



EUROPEAN CENTRAL BANK



Bulgaria

Bulgaria

List of abbreviations

BISERA	Banking Integrated System for Electronic Transfer
b.o.p.	balance of payments
BGN	Bulgarian leva
BNB	Bulgarian National Bank
ECB	European Central Bank
ESA 95	European System of Accounts 1995
EUR	euro
GDSS	General Data Dissemination System
IMF	International Monetary Fund
n.a.	data are not available
n.c.	data have not been collected
NSI	National Statistical Institute
OMFIs	other monetary financial institutions
RINGS	Real-time Interbank Gross Settlement System
SDDS	Special Data Dissemination Standard
SNA 1993	System of National Accounts 1993
USD	US dollar
VPN	Virtual Private Network

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

The main governance body of the Bulgarian National Bank (BNB) is the Managing Board, consisting of a Governor, three Deputy Governors and three other members. There are three main departments in the BNB - Issue, Banking, and Banking Supervision. The main function of the Issue Department is to maintain the full foreign exchange reserve coverage of the total amount of the BNB's monetary liabilities by taking the necessary actions to effectively manage the Bank's international foreign exchange assets. Should a systemic risk emerge that may affect the whole banking system, the Banking Department assumes the functions of a creditor of last resort under the conditions set forth in the BNB Law. The Banking Supervision Department supervises the banking system.

See Annex I.

I.1.2 Organisation of the statistical work at the national central bank

The statistical functions of the BNB are concentrated in the Statistics Directorate, which is part of the Banking Department.

The Statistics Directorate consists of the Money and Banking Statistics Division, the Balance of Payments and External Debt Division, and the General Economic Statistics and Publications Division. Money and banking statistics, as well as interest rates statistics, are compiled by the Money and Banking Statistics Division, which as of January 2003 consists of the Monetary Statistics, Interest Rates Statistics and Methodology Sections.

See Annex 2.

I.2 Legal background

The legal framework for the BNB is principally provided by:

- the Law on the Bulgarian National Bank (June 1997, as amended and supplemented in 1998, 1999, 2001 and 2002);
- the Law on Banks (June 1997, as amended and supplemented in 1998, 1999, 2000, 2001 and 2002).

Certain issues concerning the activities of the BNB are also covered by:

- the Law on Bank Deposit Guarantees (April 1998, as amended and supplemented in 1998, 1999 and 2001);
- the Non-performing Loans Information Law (October 1997);
- the Foreign Exchange Law (September 1999, amended 2002).

Pursuant to the BNB Law, the BNB issues secondary legislation (regulations) concerning the norms and requirements regulating the operation of the central bank and the commercial banks. The entire legal framework for the banking sector is available on the BNB's website (<http://www.bnb.bg>), in Bulgarian and English.

I.3 Institutional aspects

I.3.1 The role of the national central bank

I.3.1.1 Introduction

By law, the BNB is the central bank of the Republic of Bulgaria and is responsible only to the National Assembly (Parliament). Its main goal is to contribute to the maintenance of the stability of the national currency and to assist in the establishment and functioning of efficient payment mechanisms. The BNB

Bulgaria

has the exclusive right to issue banknotes and coins in the country. It also has a regulatory and supervisory role with regard to other banks' activities, and thus helps to ensure the stability of the banking system and to protect depositors' interests.

1.3.1.2 General responsibilities of the national central bank

The main function of the monetary regime is to support a fixed exchange rate under a currency board arrangement. The initial reserve currency was the Deutsche Mark, but this was replaced by the euro (EUR) on 1 January 1999.

The BNB is the official state depository. The bank may not extend credit in any form whatsoever to the state or to any state agency, except credit against purchases of special drawing rights from the IMF. The BNB is, moreover, not allowed to extend credit to banks, except to cover liquidity risks that may affect the stability of the banking system. Such credit may be extended solely to the amount of the lev equivalent of the gross foreign exchange reserves that exceeds the total amount of monetary liabilities of the BNB.

The BNB is not functionally bound by any instructions or directives issued by the Council of Ministers or by any other state bodies. The Managing Board of the BNB is personally independent: the Governor and the three Deputy Governors of the Bank are elected by the National Assembly, while the other three members are appointed by the President, all of them holding office for six years. The financial independence of the BNB is derived from the provision that the National Assembly has to adopt its annual budget and the National Audit Chamber has to examine the reports on budget outlays.

The BNB specifies the reserve requirements for banks, how these are calculated as well as the terms of and procedures for interest payments on these reserves. In order to perform its functions successfully, the BNB

collects statistical data. The Bank is also authorised to compile the country's balance of payments (b.o.p.). For this purpose, all government bodies and municipal authorities, as well as legal and physical persons, have to provide the requested information.

Some issues concerning relations between the BNB and commercial banks are addressed in the Law on Banks. These refer to the granting and revoking of permits (licences) to conduct bank operations, as well as to banking supervision and bankruptcy proceedings. The Law on Foreign Exchange contains provisions on the collection of data for the b.o.p., as well as on the reporting of financial obligations to non-residents by both legal and physical persons.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The BNB's statistical activity includes the collection and compilation of data in the following areas: money and banking, reserve requirement management, b.o.p, prudential supervision and fiscal services.

The reserve requirement statistics are compiled by the Banking Policy Directorate, which is also responsible for monitoring the overall management of the reserve requirements. The sources of data for this are the banks' weekly reports on liabilities subject to reserve requirements, together with the weekly statistical data for monetary statistics purposes.

The b.o.p. is prepared by the Balance of Payments and External Debt Division of the Statistics Directorate. B.o.p. data are collected from commercial banks, the customs offices (trade statistics), the National Statistical Institute (NSI), the Central Depository, the Ministry of Finance, the Agency for Foreign Investment and enterprises as well as legal and physical persons.

Data on prudential banking are collected by the Banking Supervision Department. The main source is the banks' balance sheets (monthly and annual), as well as additional reports related to specific regulations on prudential supervision.

Information relating to the fiscal services the BNB provides to the Government, as represented by the Ministry of Finance, is collected by the Fiscal Services Department. The main data sources are the Computerised Book-entry System for Registration of and Trade in Government Securities, and the Computerised System for Registration, Servicing and Management of Government Liabilities to Foreign Creditors.

1.3.2.2 Main responsibilities of other public authorities, and co-operation with the national central bank

Responsibility for the preparation of macroeconomic statistics is shared between the NSI, the Ministry of Finance and the BNB. The NSI is responsible for statistics relating to the real economy, including the financial accounts, while the Ministry of Finance is responsible for the fiscal sector, and the BNB is responsible for the monetary and external sectors. The preparation of a methodology for the compilation of the financial accounts is under way. There is an exchange of data between the three institutions, as well as co-operation on methodological issues.

1.3.2.3 Overview of statistical data collection and compilation

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>Monthly and weekly balance sheets with additional breakdown by sector.</p> <p>Timeliness: Weekly data are received on the second working day following the reporting week, while monthly statistics are received 15 days after the end of the reporting month.</p>	<p>Weekly reports of newly contracted overdrafts and loans, broken down by currency (BGN, EUR and US dollar (USD)), institutional sector (enterprises and households) and maturity (up to one year and over one year). Monthly reports of stocks and newly received repos and deposits. The latter are broken down by currency (BGN, EUR, USD and other currencies), institutional sector (enterprises and households) and maturity (overnight; up to one, three, six, twelve months; over twelve months; and the introduction of new maturity bands of up to 2 years and over 2 years as of January 2003).</p> <p>Daily information on the money market interest rates (on extended deposits and repos on the interbank market), broken down by currency (BGN, EUR and USD) and maturity (up to three days, up to one week, up to one month, up to 3 months, up to 6 months, up to 12 months, and over 12 months). Information about exact maturities for 1 month, 3 months, 6 months and 1 year repos/deposits is collected and regularly sent to the ECB.</p> <p>All interest rates are weighted average for all reporting entities.</p>	<p>1. Data on the primary and secondary government securities markets issued by the central government. These are data on Treasury bills (3-month, 6-month, and 1-year) and Treasury bonds (2, 3, 5, 7, and 10-year). The data are obtained from the BNB Computerised Book-entry System for Registration of and Trade in Government Securities. This registers all transactions in government securities on the primary and secondary markets, and the principal and interest payments on maturing government securities (securities issued by the Government of the Republic of Bulgaria are in book-entry form). Data on government securities are reported in the commercial banks' balance sheets at market or close to market value.</p>

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Table I (continued)

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
		Timeliness: Daily data are received after the close of the market on the same business day. Weekly data are received on the second working day following the reporting week, and 6 days after the end of the reporting month for monthly statistics.	2. Data on debt securities issued by OMFIs, reported in the commercial banks' balance sheets at nominal value. Data are also received by the Central Depository for statistical distribution into sectors.
Collecting agents	BNB, Statistics Directorate	BNB, Statistics Directorate, BNB, Banking Policy Directorate	BNB, Fiscal Services Department, BNB, Statistics Directorate
Users	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, Eurostat, other international institutions, the general public.	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, Eurostat, other international institutions, the general public.	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, Eurostat, other international institutions, the general public.
Description	Data from the reporting agents are collected electronically using the existing Interbank electronic network system (Virtual Private Network – VPN).	Data from the reporting agents are collected electronically using the existing Interbank electronic network system (Virtual Private Network – VPN) and in paper form.	Data are received electronically or, as an exception, by telex.

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	Liabilities of commercial banks subject to reserve requirements. Timeliness: weekly, two days after the end of the reporting week.	In preparation. Necessary data are collected from NSI, BNB and Ministry of Finance.	Reporting forms recording transactions between the compiling economy and the rest of the world. Data are collected from the commercial banks, customs offices, NSI, Central Depository, Ministry of Finance, Foreign Investment Agency and others. Timeliness: monthly, as prescribed by the BNB Regulations.	Monthly balance sheets of the banks, profit and loss call reports on the performance on indicators per individual regulation for supervision purposes, and additional quarterly reports. Timeliness: 15 days after the end of the reporting period
Collecting agents	BNB, Banking Policy Directorate	NSI	BNB, Statistics Directorate	BNB, Banking Supervision Department

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Users	BNB	Financial accounts are still being prepared.	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, Eurostat, other international institutions, the general public.	BNB, banks and financial sector, Ministry of Finance, other government institutions, NSI, IMF, ECB, Eurostat, other international institutions, the general public.
Description	Data from the reporting agents are collected electronically using the existing Interbank electronic network system (Virtual Private Network – VPN)	Data are collected electronically and in paper form.	Data are collected electronically and in paper form.	Data are collected electronically and in paper form.

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

The legal framework for the monetary statistics is provided by the Law on the BNB, the Law on Banks and the Accounting Law. Although there are no explicit provisions covering monetary statistics, the collection of monetary data from the banks is covered by Article 4 of the Law on the BNB and Article 55 of the Law on Banks.

The former stipulates that the BNB can demand any information from the commercial banks, while the latter requires banks to submit reports to the central bank in a set format, with specific contents and in accordance with a deadline laid down by the central bank.

Data received from banks are used exclusively for statistical purposes. Raw data are treated confidentially, and there are specific provisions to this effect in the BNB Law.

Monetary statistics are based on the statistical reporting forms of the BNB and of the commercial banks, in accordance with the methodological instructions provided by the BNB and the Accounting Law.

2.1.2 Statistical standards followed

Monetary statistics are collected and compiled according to international statistical standards and, to a great extent, comply with the rules of international financial statistics. The most important standards include:

- The European System of Accounts 1995 (ESA 95) and System of National Accounts (SNA 1993);
- Regulation of the ECB No.13 dated 22 November 2001 (ECB/2001/13), and the Money and Banking Statistics Compilation Guide, ECB, 1998;
- Money and Banking Statistics Sector Manual: Guidance for the Statistical Classification of Customers, ECB, 1998;
- Monetary and Financial Statistics Manual, IMF, 2000.

The accounting rules followed by commercial banks and the BNB can be found in the Accountancy Law (November 2001) and the International Accounting Standards (the Uniform National Accounting Standards, which are consistent with international standards, were valid until the end of 2002; after this point, the International Accounting Standards came into force).

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Bulgaria is a member of the General Data Dissemination System (GDDS) developed by the IMF and also, in the field of monetary and banking statistics, adheres to the requirements of the Special Data Dissemination Standard (SDDS).

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

The economic territory of the country consists of the geographic territory administered by the government; within this territory, persons, goods and capital circulate freely. The economic territory includes the airspace, territorial waters, and continental shelf lying in international waters over which the country has executive rights. It also includes territorial enclaves (i.e. geographic territories situated elsewhere in the world and used, under international treaties or agreements between States, by general government agencies of the country (embassies, consulates, military bases, scientific bases, etc.)), and any free zones.

Residents of the country are defined as institutional units that have their centre of economic interest within the economic territory of the country; their residence is in the same territory and they are engaged in economic activities on a significant scale on this territory for an extended period – six months or more.

Branches of resident banks abroad with a centre of economic interest in the territory of other countries are treated as non-residents. Branches of foreign banks licensed to operate in the country are classified as residents and are included in the money-creating sector.

Borderline cases of residency:

1) Persons from embassies, consulates, military bases and scientific bases are classified as residents of their native countries (for example, bank transactions with foreign embassies are treated as relationships with non-residents).

2) The following cases are classified as resident units:

- Tourists – people who leave the country for a period of less than six months for business or private travel purposes;
- Seasonal workers – people who leave the country for several months, but less than six months, to work in another country;
- Border workers – people who cross the frontier regularly (daily, weekly) to work in a neighbouring country;
- Crew members of ships, aircraft and other mobile equipment, operating partly or wholly outside the territory of the country;
- Bulgarian students in foreign countries, no matter how long they study abroad.

The concept of residency is consistent with the ESA 95, the IMF Balance of Payments Manual, 5th edition, and the Bulgarian Foreign Exchange Law.

2.2.2 Sectors in monetary statistics

To a great extent the ESA 95 standards of sector classification for institutional units are applied. The sectoral breakdown applied in monetary statistics is by residency (resident and non-resident). The resident sector is then divided into the banking, government and non-government sectors.

A. Resident sector

a) Banking sector:

- BNB (central bank) (S121);
- commercial banks (OMFIs) (S122).

b) General government sector:

- central government (S1311);

Table 2

Sector classification	Sectors	Definitions
Money-creating sector	BNB	The central bank is a financial corporation whose principal functions are to issue currency and maintain its internal and external value, to hold all or part of the international reserves of the country, and to be the lender of last resort and official depository of the State.
	Commercial banks (OMFIs)	The other monetary financial institutions (OMFIs) sub-sector consists of all financial corporations (except those classified in the central bank sub-sector) that are principally engaged in financial intermediation and whose business it is to receive deposits and/or close substitutes for deposits from institutional units other than OMFIs, and, on their own account, to grant loans and/or to make investments in securities.
Money-holding sector	Non-bank financial institutions	The other financial intermediaries sub-sector consists of: <ul style="list-style-type: none"> • All financial corporations that are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs, or insurance technical reserves. The sub-sector includes leasing and factoring corporations, mutual funds, import/export corporations, etc. • All financial corporations that are principally engaged in auxiliary financial activities, i.e. corporations that engage in activities closely related to financial intermediation, but are not financial intermediaries themselves. This sub-sector includes the stock exchange, exchange bureaus, consultants, brokers, etc. • All financial corporations that are principally engaged in financial intermediation as the consequence of risk pooling.
	Non-financial public corporations	Non-financial public corporations are institutional entities under the control of government sector entities (i.e. 50% or more of their capital (voting stock, shares) is owned by the latter). They directly or indirectly decide corporate policy and/or appoint directors. Public corporations are market producers, whose main activity is the production of goods and non-financial services
	Non-financial private corporations	Non-financial private corporations are under the control of private national and foreign institutional entities, i.e. these entities own 50% or more of their capital by holding either more than half of the voting stock (shares), or controlling more than half of the stockholders or shareholders. Private corporations are market producers, whose main activity is the production of goods and non-financial services.
	Households	The households sub-sector covers individuals or groups of individuals as consumers (possibly also as entrepreneurs) producing market goods and non-financial and financial services (market producers). This sector also includes individuals or groups of individuals as the producers of goods and non-financial services for their own exclusive final use. The sector also includes any sole proprietorships and partnerships without independent legal status that are market producers.
Money-neutral sector	Central government	The central government sub-sector includes all administrative departments and other central units of the State whose competence extends normally over the whole economic territory, except for the administration of social security funds. This sector also includes non-profit institutions that are controlled and mainly financed by central government, and whose competence extends over the whole economic territory.
Money-holding sector	Local government	The local government sub-sector includes types of public administration whose competence only extends locally within the economic territory, apart from local agencies of social security funds.

Table 2 (continued)

Sector classification	Sectors		Definitions
Money-neutral sector	Local government	General government	This sector includes non-profit institutions that are controlled and mainly financed by local government, and whose competence is restricted to the economic territory of the respective local government.
	Social security funds		The social security funds sub-sector includes all central and local institutional units whose principal activity is to provide social benefits and which fulfil each of the following two criteria: 1) by law or by regulation, certain population groups are obliged to participate in the scheme or to pay contributions; 2) general government is responsible for the management of the institution in respect of the settlement or approval of contributions and benefits, independently from its role as supervisory body or employer.
Non-resident sector	Banks General government Other non-residents	Rest of the world	The rest of the world sector covers all economic territory outside Bulgaria, and all non-resident legal or physical persons reporting transactions and having receivables, liabilities, or other economic relations with resident sectors. International and supranational organisations are also included here.

- local government (S1313);
- social security funds (S1314).

c) Non-government sector:

- non-financial public enterprises (S11001);
- non-financial private enterprises (S11002 + S11003);
- non-bank financial institutions (S123 + S124 + S125);
- households (S14).

B. Rest of the world (non-residents)

- banking sector;
- general government sector;
- other non-residents.

2.2.2.1 Definition and classification of sectors in monetary statistics

The banking sector includes the central bank and all commercial banks licensed by the BNB (including branches of foreign banks). The general government sector includes central

government, local government and social security funds. The non-government sector consists of non-financial enterprises (public and private), households and non-bank financial institutions. The last category includes financial intermediaries, insurance companies, pension funds and other companies which are part of the financial sector but are not classified as OMFIs. The non-bank financial institution sector is not broken down into sub-sectors.

2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

The sectors are compared in Table 3.

It should be noted that non-profit institutions are considered part of the sector that they serve (mainly private enterprises and households). From 2004 onwards, there will be a separate sector, namely S15 – Non-profit Institutions Serving Households.

Non-bank financial institutions are not broken down into sub-sectors. From 2004 onwards, they will be divided between Other financial intermediaries, with the exception of insurance companies and pension funds (S123), Financial auxiliaries (S124) and Insurance companies and pension funds (S125).

Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification	
Money-creating sector	S121 Central bank		S121 Central bank	S12 Financial corporations	Money-creating sector	
	S122 Commercial banks (OMFIs)		S122 Other monetary financial institutions			
Money-holding sector	S123, S124, S125 Non-bank financial institutions		S123 Other financial intermediaries, except insurance corporations and pension funds		Money-holding sector	
			S124 Financial auxiliaries			
			S125 Insurance corporations and pension funds			
	S11 Non-financial public and private corporations		S11 Non-financial corporations			
	S14 Households		S14 Households			
	n.c.		S15 Non-profit institutions serving households			
Money-neutral sector	S13 General government	S1311 Central government	S1311 Central government	S13 General government	Money-neutral sector	
Money-holding sector		n.a.	S1312 State government			Money-holding sector
		S1313 Local government	S1313 Local government			
		S1314 Social security funds	S1314 Social security funds			
Non-resident sector	Banks General government Other	S211 EU countries	S21 European Union	S2 Rest of the world	Non-resident sector	
		S212 Institutions of the EU				
		S22 Third countries and international organisations				

The non-resident sector is not broken down into sub-sectors. From 2004 onwards, it will be divided between the European Union (S21) and Third countries and international organisations (S22).

These changes will ensure the full implementation of the ESA 95.

2.3 Monetary institutions

2.3.1 Definition of a credit institution (bank) and types of credit institution

According to national legislation (the Law on Banks), a written permit (license) issued by the BNB is required to perform banking operations. Only banks licensed by the BNB can publicly accept money as deposits and use these funds to extend loans or to invest for their own account and at their own risk. Thus the banking sector in the country consists of the central bank together with all the commercial banks. A bank may also conduct the following commercial transactions:

1. purchase of bills of exchange and promissory notes;
2. foreign currency and precious metals transactions;
3. acceptance of valuables on deposit;
4. securities transactions, also including transactions under Article 54, para.1 of the Law on Public Offering of Securities, which consist of:
 - securities transactions, also including transactions in securities for their own account or for the account of a third party, and intermediation for entering into such transactions;
 - underwriting of securities issues;
 - management of individual portfolios of securities and/or monies, with the exception of investment fund and pension fund portfolios;
 - holding of securities and monies of clients at a depository institution (custodian activity);
5. guaranty transactions;
6. handling payments on account and clearing checking accounts of other persons;

7. purchase of accounts receivable for the delivery of goods or services rendered, and the assumption of risks related to the collection of these claims (factoring);

8. financial leasing;
9. issuance and management of bank cards;
10. transactions in financial futures and options or instruments related to exchange rates and interest rates;
11. provision of bank safes;
12. equity acquisition and management;
13. consultations rendered to companies as to their capital structure, industrial strategy and related issues, as well as consultations and services on how to transform companies and acquire enterprises;
14. consultations on portfolio investments;
15. other transactions as specified by the Bulgarian National Bank.

The institutions included in the money and banking statistics coverage are the central bank and the commercial banks (34 in total) licensed by the BNB.

28 of the commercial banks have a full licence to do business in Bulgaria and abroad, while the remaining six are branches of foreign banks.

A specific feature of Bulgarian monetary statistics is that an account of commercial banks in a procedure of insolvency is kept, which does not form part of the official monetary statistics. Data on such banks are shown in separate tables. The purpose of this is to provide a picture of the dynamics at work within the banking system, namely when a bank with a revoked license and in a procedure of insolvency is excluded from the scope of the official statistics and subsequently drops out of the statistical survey. As of December 2002, there were

four commercial banks subject to an insolvency procedure.

2.3.2 Definition of other monetary institutions

There are no other monetary institutions (money market funds, etc.) that meet the criteria for a monetary financial institution within the meaning of ECB Regulation ECB/2001/13, namely whose shares/units are in terms of liquidity, close substitutes for deposits and/or the structure of whose investment portfolios would meet the requirements of the above regulation.

2.3.3 Central government units with deposit liabilities included in measures of money

There are no deposits of government units included in the monetary aggregates. Post Offices in the country do not accept deposits.

Table 4

As at end-December 2002

Institutions	Number of institutions
BNB	1
Credit institutions	34
Commercial banks	34
Other monetary institutions	0
Total	35

2.4 Banking business: general deposits/other products

The commercial banks licensed by the BNB are allowed to conduct business as explicitly defined in Article I of the Law on Banks (and explained in section 2.3.1 of this chapter). Settlements between banks are carried out via the Banking Integrated System for Electronic Transfer (BISERA), which is run and monitored by the BNB. All operating banks are obliged to join the system (as specified by BNB Regulation No. 3 on

Payments). The RINGS real-time interbank gross settlement system is expected to start operating from the beginning of 2003.

The main types of deposit products include overnight deposits (up to 1 day and demand deposits), with agreed maturity (time deposits), and deposits redeemable at notice (savings and call deposits). Interest on deposits is accrued and paid according to the contract, and depends on the amount, maturity and the terms of the deposit. When a time deposit is withdrawn without advance notice and before maturity, agreed interest is not paid. Banks accept deposits in national and foreign currencies, mainly in euro and US dollars. The interest rates on these deposits are close to international market rates.

The main types of credit products offered by commercial banks include overdrafts, short-term and long-term loans (consumer loans, housing loans, other household and syndicated loans, credit lines, revolving credit commitments and financial leasing for corporations) in national and foreign currencies (euro, US dollars) with fixed or floating interest rates. Banks issue guarantees and act as intermediaries in payments, trade in government and corporate securities, and effect other transactions provided for in Article I of the Law on Banks. Banks offer round-the-clock services through ATMs and POS terminals, phone banking (home, office banking), WAP banking, Internet banking and PC banking. They also issue debt securities (primarily mortgage-backed bonds), as well as credit and debit cards, and enter into repos with clients.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

The monetary statistics are compiled from specially designed report forms submitted by the reporting entities to the BNB on a weekly and monthly basis. The report forms for

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statistical purposes are prepared on the basis of detailed accounting information.

Monetary statistics are compiled on a 100% statistical coverage basis.

The main items in the assets of the reporting entities are:

- Claims on non-residents (representing the banks' foreign assets);
- Claims on the general government sector (including claims on the central government, local government and social security funds);
- Claims on the non-government sector (including banks' claims on public and private non-financial corporations, non-bank financial institutions and households);
- Other assets (containing claims arising from interbank or intrabank transactions, the value of fixed assets such as buildings, vehicles, etc., as well as other expenditures which cannot be classified in any of the above-mentioned categories).

The main items in the liabilities of banks are:

- Deposits of the non-government sector deposits;
- Debt securities issued;
- Credits;
- Foreign liabilities;
- Government sector deposits;
- Capital and reserves;
- Other liabilities (include those liabilities arising from interbank or intrabank transactions and other non-classified assets).

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterpart and currency

The dynamics of monetary statistics are captured by a monetary survey, two analytical reports (one on the BNB, the other on commercial banks), and by several additional tables containing more detailed information. Data are broken down by sector, indicator, instrument and maturity. The asset indicators are grouped by sectors and instruments, and the liability indicators by instruments and degree of callability. All indicators are broken down by currency (national and foreign currency), and presented according to their original maturity (for deposits, loans, securities other than shares). As of January 2004, balances denominated in euro and US dollars will be identified.

At the same time, monthly sector reports for the BNB and for the commercial banks are compiled and published. These are static tables presenting the respective asset and liability indicators in view of identifying the sector that balance sheet items belong to.

Assets side

Foreign assets are broken down by instruments (cash, deposits, credits, securities other than shares, shares and other equity) and by sector (banks, government and other non-residents).

Claims on government are classified by sector (central government, local government and social security funds) and instrument (securities, credits and others). Government securities are broken down by maturity (short-term – up to 12 months; medium-term – up to five years; long-term – over five years) and by type (issued under Regulation 5 of the BNB and MoF, Eurobonds, Brady bonds and others).

Claims on the non-government sector are divided into four sectors: public and private non-financial corporations, non-bank

financial institutions, and households. They are presented by instrument, as follows: loans (short-term and long-term – the latter with the following maturity breakdown as of January 2004: over 1 and up to 2 years, over 2 and up to 5 years, and over 5 years), securities other than shares, shares and other equity.

Liabilities side

The deposits of the non-government sector are broken down by instrument as follows: overnight (up to 1-day and demand deposits as of January 2003) with agreed maturity (time deposits with the introduction of new maturity bands of up to 2 years and over 2 years as of January 2003); redeemable at notice (primarily savings deposits); and blocked deposits. Savings deposits only consist of household deposits. All other deposits are broken down by sector into deposits of non-financial public corporations, private corporations, households, and non-bank financial institutions. A new instrument – the repo – is to be introduced as of January 2003.

Loans and debt securities issued are separated into independent positions and presented by creditor sector and maturity (with the introduction of new maturity bands of up to 2 years and over 2 years as of January 2003).

Foreign liabilities are broken down by instrument (deposits, credits, debt securities issued and others).

Deposits of the government sector are broken down by government sub-sector (central government, local government and social securities funds), and by type of deposit.

A new maturity breakdown on deposits will be applied as of January 2004, as follows:

- for deposits with agreed maturity: up to 1 month, over 1 month up to 3 months, over 3 and up to 6 months, over 6 months up to 1 year, over 1 and up to 2 years, and over 2 years.
- for deposits redeemable at notice: up to 3 months' notice, over 3 months' notice up to 2 years, and over 2 years.

2.6 Measure(s) of money: definitions and remarks

2.6.1 Definition of money and instrument breakdown of monetary aggregates

According to the national definition, the monetary aggregate M1 (narrow money) includes the most liquid monetary instruments used as a means of payment (currency outside banks and demand deposits in domestic currency).

Box I

M1 includes:

- currency outside banks;
- demand deposits.

M2 includes:

- M1;
- time deposits;
- savings deposits in BGN;
- deposits in foreign currencies.

M3 includes:

- M2;
- debt securities issued;
- credits;
- restricted deposits.

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Quasi-money and the monetary aggregate M1 form the monetary aggregate M2. Quasi-money consists of time deposits, savings deposits in BGN and foreign currency deposits. Deposits in foreign currency are divided into demand, time and savings deposits.

The least liquid monetary instruments are the debt securities issued, received credits and restricted deposits. They are in domestic and foreign currencies and, together with the monetary aggregate M2, form the broadest monetary aggregate M3, which is known as the money supply (broad money).

Monetary aggregates have been compiled according to both national and ECB definitions in the weekly statistical information since 2002; from 2003, they will be compiled in the monthly monetary survey as well.

2.6.2 Sectoral allocation of holdings of negotiable instruments

The transferable instruments included in the monetary aggregates are cash (banknotes and coins) and debt securities issued. Due to the nature of cash, money outside banks cannot

be reported on a current basis by holders. However, for the debt securities issued, a breakdown by sector of the first holder is made. The BNB also plans to produce a distribution by sector of the actual holders of securities based on data from the Central Depository of Bulgaria.

2.7 Counterparts of money

The major counterparts of money in the monetary survey are net foreign assets and net domestic assets. The latter are broken down into the following principal categories:

- domestic credit (which includes claims on the government sector and claims on the non-government sector);
- capital and reserves;
- other items (net).

These are also broken down by currency, maturity and sectors/sub-sectors, where appropriate.

Box 2 indicates how the counterparts of money are classified.

Box 2

Net foreign assets

Foreign assets (gross) with breakdown by instrument, sector and currency. These include the international foreign exchange reserves of the country, and other foreign assets of the BNB and the commercial banks.

Foreign liabilities (gross) with breakdown by instrument, sector and currency. These disclose the liabilities of the BNB and commercial banks to the external world.

Net domestic assets

Domestic credit

- Claims on the general government sector
 - Claims (net) on central government
 - Claims (gross) on local government and social security funds
- Claims on the non-government sector, broken down by sub-sector into maturity and currency

Capital and reserves

Other items (net) include net interbank and intrabank balances, fixed assets, and unclassified assets.

2.8 Reserve money

Reserve money (the monetary base) includes currency outside banks and commercial banks' funds (bank reserves). The latter include the deposits of commercial banks with the BNB as well as the cash in their vaults.

Deposits with the BNB are in both domestic and foreign currency, and include the required minimum reserves (currently set at 8%) of banks as well as their excess reserves, mainly settlement accounts for banks and demand deposits for other institutions (according to the Law on the BNB, the central bank may accept deposits from non-bank institutions according to terms set by its Managing Board, as stipulated in Article 39).

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

The legal framework for the central bank to collect statistics from the commercial banks is provided by the Law on the BNB (Article 4) and the Law on Banks (Articles 55 and 62).

Article 62 of the Law on Banks specifies that, in relation to its supervisory function, the central bank may require commercial banks to provide accounting or other documents, as well as additional information on their activities.

The BNB is obliged to treat all collected data in strict confidentiality (Article 4 of the Law on the BNB).

2.9.2 Identification of the reporting population (reporting coverage)

2.9.3 Reporting schemes

Monetary statistics are collected on a weekly and monthly basis from all commercial banks. Weekly and monthly reports share the same format and content on a full balance sheet basis.

Weekly statistics data are received by the end of the second business day of the week following the reporting one, and monthly statistics by the 15th of the month following the reporting month.

Data are provided electronically via the VPN of the BNB and the commercial banks.

Monetary statistics include two levels of data compilation.

On the first level, available data received from individual reporting entities are aggregated in the analytical reports, which contain exhaustive balance sheet data on the BNB and the commercial banks. The aim of the analytical reporting is to provide data classified in accordance with the principles of

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
BNB	1	100	45.1
Credit institutions	34	100	54.9
Commercial banks with a licence to operate in Bulgaria and abroad	28	100	52.6
Branches of foreign banks (licensed to operate in Bulgaria and abroad)	6	100	2.3
Other monetary institutions	0	-	0
Total	35	-	100

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residency, sectorisation, and belonging to a particular type of instrument, in a format suitable for the compilation of the monetary survey.

On the second level, data from the analytical reporting are consolidated in the form of a monetary survey. The monetary survey is the main form of monetary statistics, and contains a variety of important indicators necessary for macroeconomic analysis. It illustrates the mechanism by which the monetary base is multiplied in the aggregate money supply servicing transactions in the national economy. It is structured in such a way that facilitates the analysis of broad money and its sources.

The accounting rules followed by the commercial banks and the BNB are set forth in the Accountancy Law (November 2001) and the accounting standards (the Unified Accounting Standards, which are consistent with the IAS, and are valid for all commercial banks until the end of 2002, after which point the IAS will be applied). There are no exceptions to the general standards, and the procedures do not in practice differ from the established ones.

2.9.4 Special reporting procedures for the national central bank

The procedures for data collection and compilation are the same as those used by the commercial banks. Weekly and monthly reports share the same format and content on a full balance sheet basis.

Frequency and timeliness are the same as for the commercial banks – one week later for the weekly data, and one month later for the monthly data. In addition, according to Article 49 of the Law on the BNB, the central bank publishes the balance sheet of the Issue Department (the currency board) on a weekly and monthly basis, and that of the Banking Department on a monthly basis (on the following working day).

According to Article 28, paragraph 6 of the Law on the BNB, the stock of monetary gold is valued at DEM 500 per troy ounce (since 1 January 2002, at 500 BGN per troy ounce), or at the market value, if lower. There are no other exceptions to the general accounting and revaluation rules.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

Stock data refer to the end of the reporting period: Friday or the last working day of the week for the weekly data, and the last working day of the month for the monthly data.

2.10.2 Revisions

The procedures related to revisions of data in previous publications aim to detect and eliminate any errors. Technical control is exercised on a current basis when data are received at the BNB, and the data from each bank are verified. The information is corrected at the BNB after the correct data have been electronically received.

Revisions of already published data are carried out if:

- the data turn out to be erroneous;
- an accounting or statistical standard has since changed.

When a revision is made, the revised data are marked with a special sign (“R”), and an explanation is provided. When a statistical standard has since changed, the revision is effected retroactively to the beginning of the event or change, where possible.

Revisions apply to both the weekly and monthly data. Since weekly data appear

before the monthly summaries, which are based on the same range of accounting data, revisions are first announced in the former.

Preliminary data are only published in the weekly statistics. When the revision refers to a past period, it is marked with an “R”, together with an appropriate explanation of the reasons for, and contents of, the revision. When the revision refers to several indicators and many periods, a special appendix to the edition is prepared.

2.10.3 Derivation of flow statistics

Flow statistics are presently not compiled in compliance with ECB/2001/13 requirements, but preparations are underway for their introduction.

The BNB conducts some statistical data adjustments (changes in classification, write-offs, etc.), but for analytical purposes only: these data are not part of the published official monetary statistics, and are only used for information purposes, as per below:

Changes in the sector classification of MFI counterparties, other changes arising from the reclassification of assets and liabilities, write-offs – some information concerning the above reclassifications is gathered directly from balance sheets; ad hoc investigations are undertaken where necessary.

Changes in the composition of the statistical reporting population and changes in structure – balance sheets of OMFIs which have joined or left the reporting population, as well as information on mergers and acquisitions, are available for internal use.

Exchange rate changes – statistical adjustments of data on the impact of exchange rate changes during the reference period are only made for informational and analytical purposes.

2.10.4 Seasonal adjustment

Seasonal adjustment of data is performed for analytical purposes only and does not form part of the officially published monetary statistics.

2.11 Publications

2.11.1 First release of data (including the medium)

Weekly information is published five business days after the end of the reporting period. A leaflet entitled “Weekly Statistical Information” is sent simultaneously to all users subscribing to the publication by e-mail or in paper form. Monthly information is published no later than 30 days after the end of the respective reporting period. The Monetary Statistics leaflet is sent simultaneously to all users subscribing to the publication by e-mail or in paper form. Since June 1999, the BNB website <http://www.bnb.bg> has become a key source of information, as it contains these statistics. The weekly and monthly data are available on the BNB website, <http://www.bnb.bg>. While viewing data on the website, users can select a random period of time and choose their own indicators. There is the possibility of asking questions directly in relation to the monetary and interest-rate statistics via the e-mail address and telephone numbers published on the website.

Government authorities and agencies – ministries, departments, etc. – are not given privileged or insider access to statistical data.

2.11.2 Key weekly/monthly publications

Monthly monetary statistics data are also published in the BNB Monthly Information Bulletin, which is issued up to 45 days after the end of the accounting period. The publication is available in paper form, or can be obtained from the BNB website, <http://www.bnb.bg>.

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2.11.3 Other statistical publications

Monthly monetary statistics are also included in the BNB annual and semi-annual reports. The annual report for the reporting year is

usually published at the beginning of May of the following year, and the semi-annual report later in November. These publications are available in paper form, or can be obtained from the BNB website, <http://www.bnb.bg>.

3 Contacts at the Bulgarian National Bank

Any queries concerning the issues described in this country chapter should be addressed to:

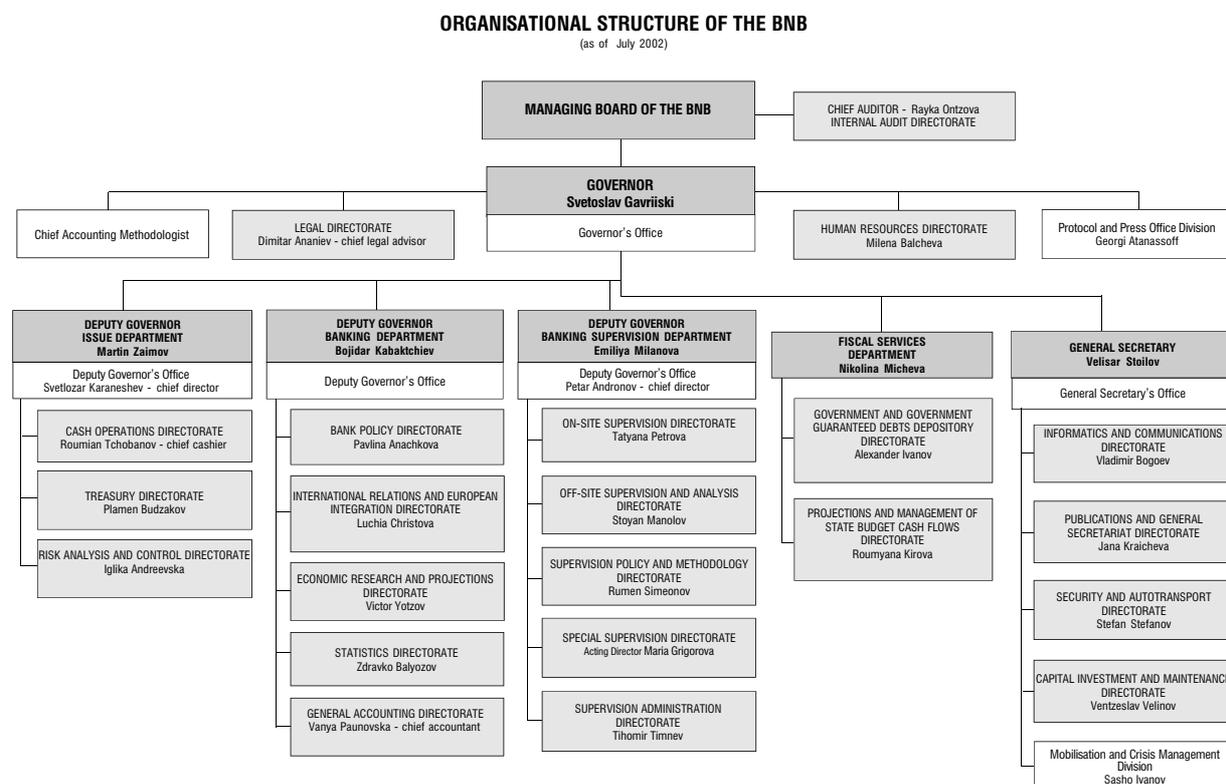
Statistics Directorate, Monetary and Banking
Statistics Division

1, Alexander Battenberg Square, 1000 Sofia,
Bulgaria

Phone: + 359 2 9145 1587; Fax: + 359 2 980
24 25; e-mail: mbstatistics@bnbank.org

Annex I

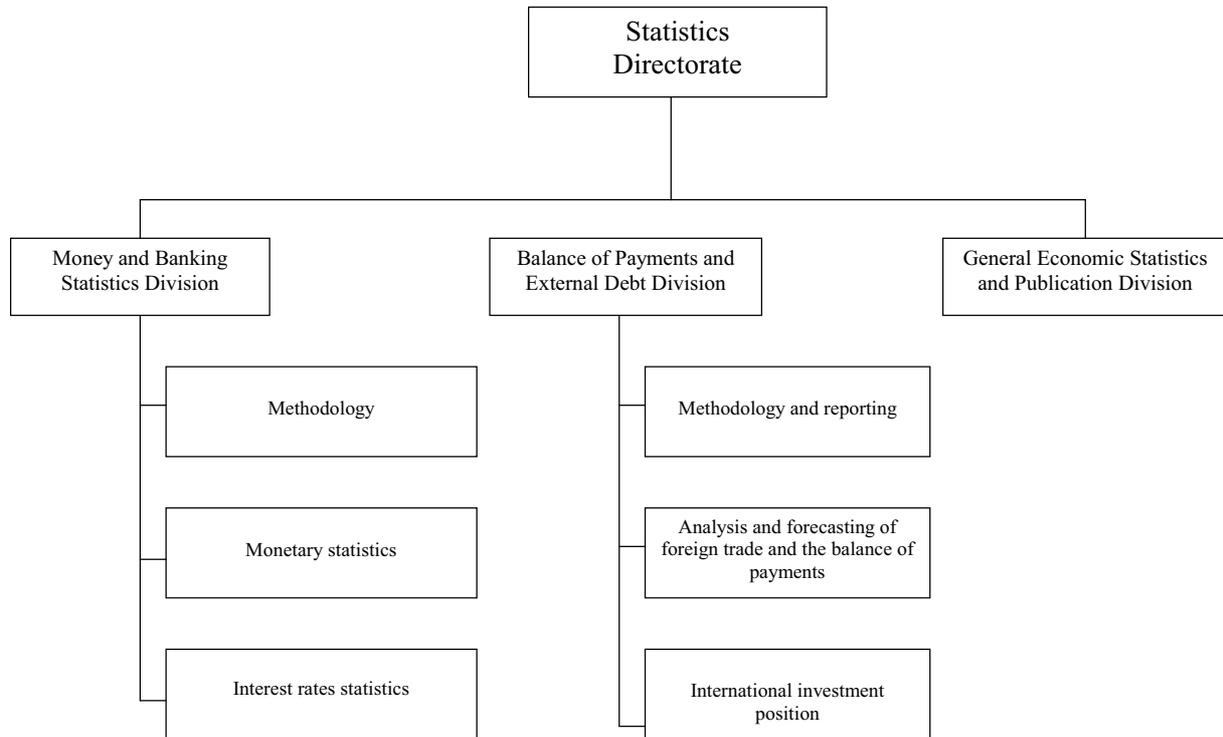
Organisation chart of the Bulgarian National bank (BNB)



Bulgaria

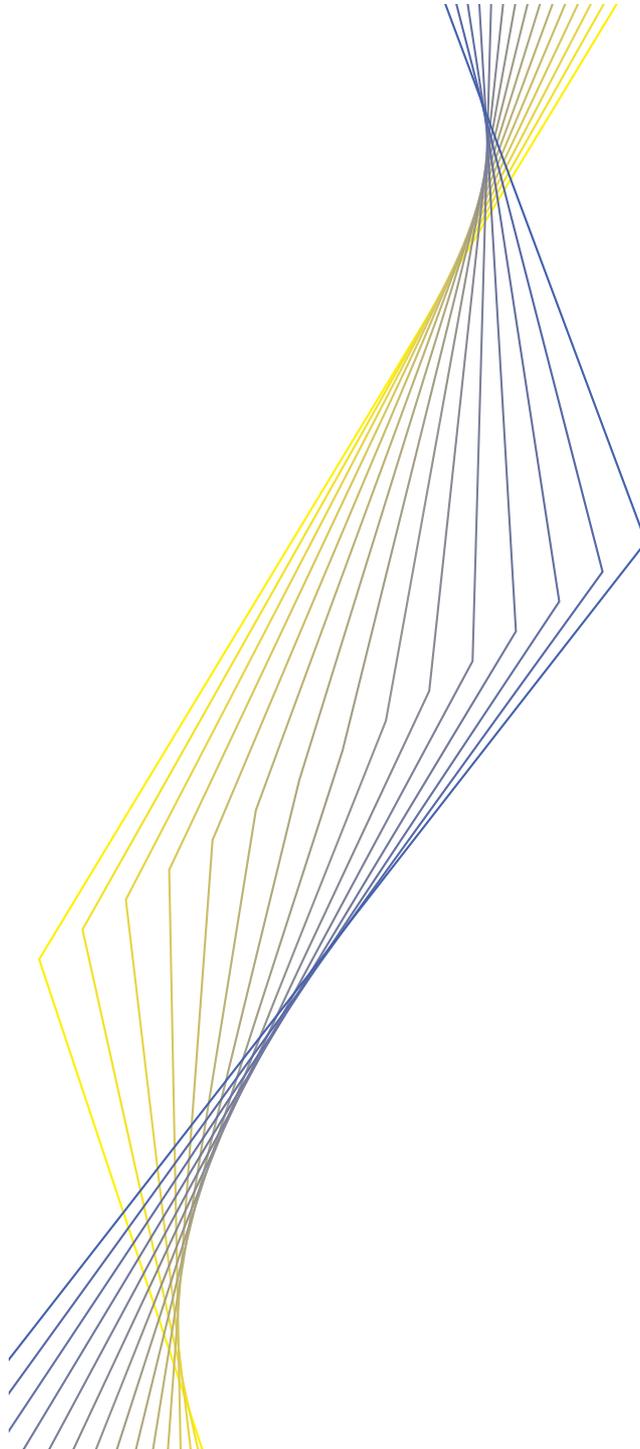
Annex 2

Statistics Directorate





EUROPEAN CENTRAL BANK



Cyprus

List of abbreviations

ABUs	Administered banking units
ATMs	Automated teller machines
b.o.p.	balance of payments
BS&RD	Banking Supervision and Regulation Division
CBC	Central Bank of Cyprus
CCSSs	co-operative credit and savings societies
CoM	Council of Ministers
CSE	Cyprus Stock Exchange
CYP	Cyprus pound
DBs	domestic banks
DMBs	domestic money banks
ECB	European Central Bank
EMI	European Monetary Institute
ERD	Economic Research Department
ER&SD	Economic Research and Statistics Department
ESA 95	European System of Accounts 1995
ESCB	European System of Central Banks
EU	European Union
FA	financial accounts
IAS	International Accounting Standards
IBCs	international business companies
IBUs	international banking units
ICISs	international collective investment schemes
i.i.p.	international investment position
IMF	International Monetary Fund
MFSS	Monetary and Financial Statistics Section
MMFs	money market funds
MoF	Ministry of Finance
MPC	Monetary Policy Committee
OFIs	other financial institutions
SD	Statistics Department
SDR	Special Drawing Rights
SSR	Statistical Service of the Republic
WAP	Wireless-assisted Protocol

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

The organisational structure of the Central Bank of Cyprus (CBC) is currently under revision taking into consideration Cyprus' accession to the European Union (EU) and the participation of the CBC in the European System of Central Banks (ESCB). An organisation chart can be found in Annex I.

The organs of the CBC are the Monetary Policy Committee (MPC), which was established under the new CBC Law, the Board of Directors and the Governor.

- The MPC consists of the Governor and five other members, two of whom are appointed by the Governor, and the remaining three by the Council of Ministers (CoM). The tasks of the MPC are to define and implement monetary policy and to decide on matters pertaining to the conduct of exchange rate policy and the operation of payment and settlement systems.
- The Board of Directors consists of the Governor and five directors appointed by the CoM. The main tasks of the Board are to supervise the administration of the Bank and to define and implement the policy of the Bank in all matters concerning the Bank, save those that fall within the responsibility of the MPC.
- The Governor is appointed by the President of the Republic for a renewable term of office of five years. The Governor, as the chief executive officer of the Bank, is entrusted with carrying out the Bank's policy, as well as managing and controlling the Bank's business, acting in connection with the conduct of the Bank's business.

According to the new organisational structure of the CBC, the division formerly known as

the Economic Research and Management Services Division (ER&MSD) became the Economic Research and Statistics Division (ER&SD), while the IT Department and the Personnel and Administration Section, which were formerly part of the ER&MSD, now also report directly to the Governor.

In addition, the Internal Audit Department, which was previously under the Banking Supervision and Regulation Division (BS&RD), became independent and is now directly under the Governor.

I.1.2 Organisation of the statistical work at the national central bank

For the organisation chart of the Statistics Department (SD), see the Organisation Chart of the CBC in Annex I.

As mentioned in section I.1.1 above, an important development was the set-up of the SD within the Economic Research and Statistics Division. Most of the statistical work of the CBC is now performed by the SD, which comprises the Balance of Payments and European Issues Section and the Monetary and Financial Statistics Section (MFSS).

Statistical data are also produced by the Banking Supervision and Regulation Division (BS&RD), including reserve base statistics and prudential supervision statistics. The remaining divisions of the CBC may collect statistical data which, however, serve mainly as input for the operations of the SD.

I.2 Legal background

The legal framework governing the activities of the CBC comprises the following laws:

- Banking Law (No. 66 (I) of 1997), as amended.

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This law sets the legal framework within which banking business may be conducted and, to a large extent, reflects the principles and rules of European Union (EU) banking directives.

By virtue of the power vested in it by the Banking Law, the CBC has so far issued the following directives and regulations to banks:

Date issued	Relevant section of the Banking Law	Directives/Regulations issued to domestic banks (DBs) and IBUs/ ABUs
18 November 1997	28	Notice to banks regarding the relationship between the CBC and external auditors of banks
6 February 1998	23	Directive for the computation of prudential liquidity
26 January 1999	22	Directive for the computation of the capital base of banks
26 January 1999	21	Directive for the computation of banks' capital adequacy ratios
6 December 1999	24	Directive for the layout and the contents of banks' annual accounts
3 March 2000	34	Regulations for the establishment and operation of the Deposit Protection Scheme
30 November 2000	41	Directive on cross-border credit transfers issued for the purpose of implementing EU Directive No.97/5/EC which entered into force on 1 April 2001, with the exception of certain provisions which will become effective at a later stage, to be determined by the CBC, but not later than the date of Cyprus' accession to the EU
18 May 2001	41	Directive on foreign currency positions and exposures
24 May 2001	41	Directive on the framework for the evaluation of internal control systems
15 April 2002	41	Directive on the employment of funds derived from foreign currency deposit liabilities
25 September 2002	11	Directive on the monitoring and control of credit facilities (large exposures)
9 December 2002	21&22	Directive on capital adequacy (CAD)
22 March 2001	22	Directive on the computation of the capital base of IBUs/ ABUs incorporated in Cyprus
22 March 2001	21	Directive on the computation of the capital adequacy ratio of IBUs/ ABUs incorporated in Cyprus
2 April 2001	12	Circular on investment in immovable property to IBUs/ ABUs
3 April 2001	13	Circular on investment in the share capital of other companies to IBUs/ ABUs
4 April 2001	11	Directive on the monitoring and control of credit facilities to individual borrowers or bank directors and their connected persons to IBUs/ ABUs
12 April 2001	41	Directive on cross-border credit transfers to IBUs/ ABUs
2 November 2001	23	Directive on the computation of prudential liquidity to all IBUs/ ABUs
2 November 2001	25	Directive on the layout and contents of monthly balance sheets and analytical profit and loss account returns submitted to the CBC by IBUs/ABUs
2 November 2001	41	Directive on the monitoring of foreign currency exposures of the IBUs / ABUs incorporated in Cyprus
2 November 2001	41	Directive on the framework for the evaluation of internal control systems to IBUs/ ABUs
9 December 2002	21&22	Directive on capital adequacy (CAD) to IBUs/ ABUs

The Banking Law, as well as the directives and regulations issued under this Law, may be found on the CBC's website (<http://www.centralbank.gov.cy>)

- The Central Bank of Cyprus Law No.138(I) of 2002 (CBC Law).

The CBC Law replaced the Central Bank of Cyprus Law (No. 48 of 1963), as amended with the date of entry into force being 5 July 2002. The CBC Law, which provides for central bank independence, is compatible with Articles 105 to 124 of the Treaty establishing the European Community and the Statute of the European System of Central Banks (ESCB). This Law can be found on the CBC's website (<http://www.centralbank.gov.cy>).

According to section 72 of the new statute, any regulations, directives or other administrative acts issued under the laws repealed by this law and which were in force immediately prior to the enactment of this law, shall continue to be in force until they are repealed or replaced, to the extent that they are not incompatible with the provisions of this law.

The main regulations issued on the basis of the old CBC Laws and which continue to be in force are as follows:

Date	Relevant section of the old CBC Law	Directive/Regulation
2 March 1973 and 19 September 1986	14	Designation of financial institutions regulations
29 December 1995	37	Maintenance of minimum reserves regulations

- Interest Rate Liberalisation Law (No. 160 (I) of 1999)

This law entered into force on 1 January 2001, and provides mainly for the repeal of the Interest Law of 1977, prescribing a legal ceiling of 9.0% per annum on interest rates.

- International Collective Investment Schemes Law (No. 47(I) of 1999), as amended

The CBC has been designated under this law as the competent authority responsible for the recognition, regulation and supervision of international collective investment schemes (ICISs), which can be either of limited or unlimited duration. The CBC is also the supervisory authority for the managers and trustees of ICISs. This law may be found on the internet at www.centralbank.gov.cy

- Prevention and Suppression of Money Laundering Activities Law (No. 61(I) of 1996), as amended

The main purpose of this law is to define and criminalize the laundering of the proceeds from all serious criminal offences and to provide for the confiscation of such proceeds, thus aiming to deprive criminals of the profits from their crimes.

The CBC is designated as the supervisory authority for all banks licensed to conduct banking business in or from within Cyprus. In this regard, the CBC has been assigned the duty of assessing the compliance of all banks with the special provisions of the law in respect of their business.

- The Exchange Control Law (Chapter 199) enacted in 1952, as amended by Law No. 53/1972

Under this law, the permission of the CBC, acting on behalf of the Minister of Finance, is required for payments by residents to non-residents, as well as for the registration of domestic securities in the name of non-residents and certain other international transactions. The CBC has delegated powers to DBs in Cyprus, designated as authorised dealers in exchange, to handle payments for several purposes. As part of the harmonisation measures with the EU acquis

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communautaire, Cyprus is in the process of abolishing exchange controls. To this effect, the Exchange Control Law is scheduled to be abolished by accession.

1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The CBC was established in 1963 as an autonomous institution in accordance with the relevant provisions of the Cyprus constitution and the CBC Law of 1963.

Since 5 July 2002, the Bank has been governed by CBC Law No.138(I) of 2002. This new CBC law ensures the independence of the Bank as well as compatibility with the relevant provisions of the Treaty establishing the European Community and the Statute of the ESCB. The Bank is expected to join the ESCB simultaneously with the accession of Cyprus to the EU, and all necessary measures are being taken in this direction. At the same time, the pertinent constitutional provisions have been amended so as to ensure central bank independence as prescribed by the EU acquis.

The new CBC Law ensures the institutional and financial independence of the Bank, as well as the personal independence of the Governor and the members of its decision-making bodies, in accordance with the relevant EU acquis. Furthermore, the law contains an explicit provision prohibiting the financing of the public sector, in any form, by the Bank.

1.3.1.2 General responsibilities of the national central bank

The primary objective of the Bank, according to section 5 of the new CBC Law, shall be to ensure price stability. Without prejudice to this primary objective, the Bank shall support the general economic policy of the government.

The main tasks of the Bank, as stated in Section 6 of the new CBC Law, are the following:

- (a) the formulation and implementation of monetary policy (including credit policy);
- (b) the conduct of exchange rate policy, within the framework of the exchange rate policy formulated by the CoM after the opinion expressed by the Bank;
- (c) the holding and management of official international reserves;
- (d) the supervision of banks;
- (e) the promotion, regulation and oversight of the smooth operation of payments and settlement systems;
- (f) the performance of the tasks of banker and financial agent to the government; and
- (g) participation as a member of international monetary and economic organisations.

The role of the CBC vis-à-vis the Government and other public bodies, as provided in the new CBC Law, is as follows:

Section 7 refers to the independence of the Bank. It states that when carrying out the tasks conferred upon them, under this Law, neither the Bank nor any member of its decision-making bodies shall seek or take instructions from the Government or any other body.

Part VII refers to relations of the Bank with the Government. Under section 49, overdraft facilities or any other type of credit facility with the Bank in favour of the Government, local authorities, public corporations or public undertakings shall be prohibited, as shall any purchase directly from them by the Bank of debt instruments at their issue.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

In view of Cyprus' accession to the EU and the participation of the CBC in the ESCB, the organisational structure of the CBC is currently under review. In this context and given the growing importance of statistics and the need for harmonised statistics, the SD was created under the ER&SD.

The ERD is mainly responsible for the formulation of monetary policy and for its implementation following approval by the MPC. Moreover, it is responsible for monitoring and analysing exchange rate developments. In addition, it produces a monthly report for the MPC as well as the main publications of the CBC. In this capacity, the ERD collects and analyses macroeconomic statistical data produced by the SD of the CBC, such as monetary, interest rate and balance of payments statistics, as well as by the Statistical Service of the Republic (SSR) and the Ministry of Finance (MoF), such as government finance statistics, national accounts data, inflation and unemployment data.

The SD of the CBC is responsible for the harmonisation of the various statistics within its scope of competence with the requirements of the European Central Bank (ECB), Eurostat and the International Monetary Fund (IMF), and for their compilation and dissemination to both internal and external users. It also has a co-ordinating role in matters related to Cyprus's accession to the EU.

The SD comprises the following sections:

Monetary and Financial Statistics section:

- (i) Money and banking statistics
 - MFI balance sheet statistics/ monetary aggregates and counterparts
 - Interest rate statistics
 - Securities issues statistics
- (ii) Financial accounts (FA) in collaboration with the SSR

Balance of payments (b.o.p.) and European issues section:

- (i) Balance of payments statistics and i.i.p.
- (ii) European issues

In addition to the above, the Banking Supervision and Regulation Division is currently responsible for the following statistics:

- (i) reserve base statistics
- (ii) prudential supervision statistics covering both DBs and IBUs/ABUs

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

The SSR has the primary responsibility of producing macroeconomic statistics covering most areas of the economy, with the exception of b.o.p, i.i.p., money and banking, reserve base and prudential supervision statistics, which fall under the responsibility of the CBC. The areas covered are as follows:

- National accounts and short-term economic indicators
- Financial accounts (FA), in collaboration with the CBC
- Demography, health and education statistics

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- Wages, consumer prices and labour force statistics
- Agriculture
- Foreign trade
- Manufacturing, construction, energy and the environment
- Research and development
- Transport and services statistics
- Social statistics.

The Ministry of Finance (MoF) is currently responsible for the collection and compilation of government finance statistics.

The Cyprus Stock Exchange (CSE) maintains data on securities listed on the stock exchange, such as bid/ask prices, market prices, volume of transactions and market capitalisation.

The CBC is in close co-operation with the above mentioned authorities, either within its competence as a user or as a compiler of statistics, as follows:

- *Financial Accounts:*

A working committee consisting of representatives of the SSR, the MoF and the CBC meets regularly in order to co-ordinate the set-up and compilation of FA. In this context, the MFSS of the CBC has assumed the obligation of providing the SSR with any necessary information within its competence. At the moment the SSR is working, in co-operation with the MFSS, on the production of a preliminary set of FA data in the context of the 'Pilot Project on Government Finance Statistics and Financial Accounts'.

Moreover, the SSR is currently producing a Sector Manual in accordance with the ESA

95, which will be used both for the implementation of the ECB statistical requirements as well as for the compilation of FA; this is now in at advanced stage.

- *Balance of Payments*

The SSR provides the b.o.p. section on a monthly basis with foreign trade statistics based on customs data, and data on tourism. The latter include data on receipts from tourism as well as the number of tourist arrivals and departures derived from frontier surveys. The b.o.p. section also receives data from the Cyprus Stock Exchange (CSE) concerning non-residents' investments. Moreover, this section communicates with the Government, in particular the MoF, concerning the Government's foreign borrowing and foreign grants, as well as with the Department of Land and Surveys concerning investment by non-residents in real estate in Cyprus. In addition, the b.o.p. section co-operates with other financial supervisory authorities (the Insurance Companies Control Service, the Securities and Exchange Commission) in the collection of data from companies under their supervision.

- *Monetary Policy*

The ERD additionally collects from the above-mentioned authorities all relevant data necessary to follow economic developments and formulate the Bank's monetary policy.

- *Money and Banking Statistics*

The MFSS uses data on listed securities produced by the CSE when compiling securities issues statistics and long-term interest rates.

1.3.2.3 Overview of statistical data collection and compilation methods.

See Table 1.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>a) Bank balance sheet statistics: Submitted by all DBs. Frequency: monthly. Timeliness: within fifteen days of the end of the reference month.</p> <p>b) Central Bank balance sheet statistics: Frequency: monthly. Timeliness: available on the second working day of the following month and published by the end of the following month.</p> <p>c) Monetary aggregates and counterparts: Data are compiled from the balance sheets of DBs and CBC. Frequency: monthly. Timeliness: published within 21 days of the end of the respective month.</p>	<p>a) Retail bank interest rates: End-of-period data on the representative interest rates, as defined by banks, offered on the following types of deposits in CYP: current accounts (over CYP 1,000), deposits redeemable at notice, broken down by maturity (7 days, 3 months, 1 year, over 1 year) and amount (up to CYP 5,000 and over CYP 5,000), and deposits with an agreed maturity of 1 year (up to CYP 5,000 and over CYP 5,000) and over 1 year (separate reporting by product). End-of-period data on the minimum, maximum and representative interest rates as defined by banks, charged on the following types of loans in CYP: personal loans (overdrafts within the limit, overdrafts in excess of the limit, secured, unsecured), loans to enterprises (overdrafts within the limit, overdrafts in excess of the limit, secured, unsecured), housing loans (with/without life insurance), credit cards. Frequency: collected and published monthly. Timeliness: submitted within 15 days after the end of the respective month.</p> <p>b) Interest rates on liquidity providing/ absorbing operations as well as amounts announced, tendered for and allotted. Frequency and timeliness: all data are collected and announced on the day of the operations.</p> <p>c) Interbank interest rates: Interbank bid and offered rates for the following time bands: overnight, 1 week, 1 month, 3 months, 6 months, 1 year. Interbank (actual) rates for the following time bands: overnight, 2-7 days, 2-6 months, 6-12 months. Frequency and timeliness: all data are collected on a daily basis and published monthly.</p> <p>d) Official Central Bank rates: short-term CBC facility (Lombard type) interest rate and overnight CBC deposit facility interest rate. Frequency: published monthly.</p>	<p>a) Treasury bills with 13-week and 52-week maturity offered to the public by auction. Data include dates of issuance and maturity, interest rates resulting from the auction (average, lowest, highest) and amounts announced, tendered for and auctioned, distinguishing between competitive and non-competitive bids. Secondary market data (only for 52-week Treasury bills) include: number and volume of transactions, bid/ ask and market prices. Frequency and timeliness: released on the day of the transaction.</p> <p>b) Development stocks with two, five, ten and fifteen years' maturity offered to the public by auction. Data include dates of issuance and maturity, interest rates resulting from the auction (average, lowest, highest) and amounts announced, tendered for and auctioned, distinguishing between competitive and non-competitive bids. Secondary market data include: number and volume of transactions, bid/ask and market prices. Frequency and timeliness: released on the day of the transaction.</p> <p>c) Development stocks with three-year maturity sold only to private individuals. Data include dates of issuance and maturity, interest rates and nominal amount. Frequency: published monthly.</p> <p>d) 5-year savings certificates issued on an ongoing basis and sold to natural persons. Data on issuance and maturity date, amount of issue, the compound interest rate. Frequency and timeliness: on an ad hoc basis, depending on their intended use.</p> <p>e) 7-year savings bonds sold to natural persons with nominal values of CYP 5 and CYP 10 are entered in regular draws one month after issue. Data include date of issue, date of original maturity, and amount of issue. Frequency and timeliness: on an ad hoc basis, depending on their intended use.</p> <p>f) Public eurobond notes in currencies other than CYP are offered to non-</p>

Table I (continued)

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data			resident institutional investors and are traded on international markets. Data on a security-by-security basis from the lead managers of each issue, including date of issue and original maturity, amount of issue, coupon rate and yield to maturity, bid/ask and market price on the primary market. Frequency and timeliness: statistics may be compiled on a daily, monthly, quarterly or yearly basis, depending on their intended use.
Collecting agents	CBC	CBC	CBC, MoF
Users	CBC, DBs and the wider financial sector, government departments, ECB, Eurostat, IMF and other international organisations, credit rating agencies, private sector/ the general public.	CBC, DBs and the wider financial sector, government departments, ECB, Eurostat, IMF and other international organisations, credit rating agencies, private sector/ the general public.	CBC, DBs and the wider financial sector, government departments, ECB, Eurostat, IMF and other international organisations, credit rating agencies, private sector/ the general public.
Description	Balance sheets are submitted by all DBs in paper form and processed electronically: an aggregate balance sheet is then compiled. Further analysis is conducted and reports are prepared based on these raw data according to the needs of monetary and credit policy. Data for the CBC balance sheet are downloaded from the Bank's general ledger and compiled electronically. A definition of the monetary aggregates and counterparts can be found in Sections 2.6.1 and 2.7.	<p>a) This reporting scheme was introduced in January 2001 after the enactment of the Interest Rate Liberalisation Law. Retail bank interest rates are submitted by 9 DBs in paper form and processed electronically. The average of the representative interest rates, as defined by the 3 largest banks, is currently published on a monthly basis.</p> <p>b) For liquidity providing (absorbing) operations, the minimum (maximum) rate at which bids are accepted and the lowest, highest and weighted average rate resulting in each operation are published every month.</p> <p>c) Banks participating in the interbank market post their offered/bid rates on Reuters; the Nicosia Interbank Offered Rate (NIBOR)/ Bid Rate (NIBID) are then calculated. Moreover, every participating bank is required to submit to the CBC on a daily basis its placements with other participating banks, giving the amount, duration and interest rate on each transaction. The interbank actual rates are calculated as the simple average of the daily weighted average rates on newly contracted loans, and are published every month. Moreover, the simple average of the volume of total transactions in the interbank market during the respective month is also published.</p>	Data for all government debt securities in CYP can be extracted electronically from the Register of Holders maintained by the CBC. For each holder, this register includes personal data and data for all certificates in the holder's name (series number of the issue, certificate number, issue and due dates, amounts held or redeemed, relevant interest rate and interest paid). For Treasury bill and development stock auctions, the interest rates referring to the date of the transaction are calculated as weighted averages. When monthly averages are reported, these are simple arithmetic averages of the daily interest rates. In the case of three-year development stocks, the interest rate is administratively predefined by the CBC upon issuance of each stock. Regarding issues of government securities in foreign currency, information is obtained on a security-by-security basis from the lead managers of each issue, as and when required.

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments
Collected data	Statement showing the daily balances of customer deposits in CYP held with DBs. Frequency: weekly. Timeliness: one week after the reporting date.	The SSR, in co-operation with the CBC, is preparing a preliminary set of FA. In addition, a sector manual in accordance with the ESA 95 is in an advanced stage of preparation.	(a) Data on the trade account. Frequency: monthly. (b) Data on the current account. Frequency: monthly, data compiled quarterly. (c) Data on the capital and financial accounts. Frequency: monthly, data compiled quarterly.
Collecting agents	CBC	SSR, CBC, MoF	CBC, SSR
Users	CBC		CBC (e.g. for monetary policy purposes), the Statistical Service of Cyprus (for the production of annual accounts), government departments, banks and the wider financial sector, international organisations, credit rating agencies, the private sector/ general public.
Description	Submitted in paper form and processed on Excel worksheets. These data are used to establish that the minimum reserve regulations are adhered to, as well as for statistical purposes. The reserve base of a bank comprises the average of total deposits in CYP during a fortnight (1-15 and 16-30/31 of each month). The amount of minimum reserve to be held by each DB with the CBC for a fortnightly period is calculated by applying the minimum reserve ratio (6.5% as from 01.01.2001) to the reserve base of the corresponding fortnight of the preceding month. The interest rate earned is 4% as from 13 December 2002. DBs are liable to penalties in the event of failure to comply with the minimum reserve regulations.	A working committee comprising representatives of the SSR (the agency responsible for the compilation of FA), the MoF and the CBC has been appointed to set up and implement this project.	Data are compiled in accordance with the IMF's BPM5 and Eurostat's BOP Vademecum.

Table I (continued)

Statistical areas:	Prudential supervision
Collected data	<p>a) Balance sheet of DBs (same as the one mentioned in the “Bank balance sheet statistics/monetary aggregates and counterparts” column). Frequency: monthly. Timeliness: within 15 days of the end of the reference month.</p> <p>b) Statement of foreign currency assets and liabilities. Frequency: monthly. Timeliness: within 21 days of the reporting date.</p> <p>c) Statement of foreign currency positions. Frequency: monthly. Timeliness: within 15 days of the reporting date.</p> <p>d) Consolidated statement of foreign currency positions. Frequency: monthly. Timeliness: within 15 days of the reporting date.</p> <p>e) Statement of deposits in foreign currencies and deposits in external accounts according to origin and depositor group. Frequency: quarterly. Timeliness: within one month of the reporting date.</p> <p>f) Statement for the computation of prudential liquidity. Frequency: quarterly. Timeliness: within 21 days of the reporting date.</p> <p>g) Analytical profit and loss account submitted by DBs for their operations in Cyprus. Frequency: half-yearly. Timeliness: the end-year return to be submitted within four months of the end of each financial year.</p> <p>h) Statement on capital adequacy. Frequency: half-yearly. Timeliness: within one month of the reporting date.</p> <p>i) Statement on credit facilities to large individual borrowers or bank directors and connected persons. Frequency: half-yearly. Timeliness: within one month of the reporting date.</p> <p>j) Statement on the acquisition and disposal of immovable property (other than the property used for conducting business). Frequency: half-yearly. Timeliness: within one month of the reporting date.</p> <p>k) Statement of banks’ shareholdings and those of their subsidiaries in other companies. Frequency: annually. Timeliness: within one month of the year-end.</p>
Collecting agents	CBC
Users	CBC. Some of the data are also used by the Government, the IMF, international organisations and credit rating agencies.
Description	<p>(a) Review of each DB’s balance sheet and monitoring of adherence to the provisions of the Banking Law regarding limitations on shareholdings and holdings of immovable property by banks. Computation of statistics on the market shares of banks with regard to loans and deposits.</p> <p>(b) Evaluation of foreign currency assets and liabilities with a view to ascertaining adherence to the limits provided in the relevant directive to DBs.</p> <p>(c)+ (d) Evaluation of foreign currency position and verification of adherence to the limits set in the relevant directive to DBs.</p> <p>(e) Information is provided for individuals and corporate bodies, with a distinction made between Cypriot companies, shipping companies, international business companies (IBCs) and foreign incorporated companies. The data provided in this return are evaluated in combination with the data contained in the return for foreign currency assets and liabilities.</p> <p>(f) Evaluation of assets and liabilities by residual maturity (organised into time bands).</p> <p>(g) These data are the basis for profitability evaluation.</p> <p>(h) Evaluation of capital adequacy and verification of adherence to the minimum level required (10% as from 31.12.2000).</p> <p>(i) Evaluation of all exposures in excess of 10% of a DB’s capital base, as well as data on all the credit facilities granted to the DB’s directors, with a view to ascertaining adherence to the limits set in the Banking Law. In the case of directors, particulars for the security held are also provided.</p> <p>(j) Evaluation of immovable property with a view to ascertaining adherence to the relevant provisions of the Law.</p> <p>(k) Evaluation of banks’ shareholdings and those of their subsidiaries in other companies with a view to ascertaining adherence to the relevant provisions of the Law.</p>

2 Monetary Statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

The CBC is authorised under section 63 of the new CBC Law to request that banks and designated financial institutions, government services, public corporations, as well as any natural person or legal entity, without being entitled to invoke bank secrecy or any other secrecy, should report to the Bank all the data and information in their possession which are necessary for the fulfilment of the Bank's objective and for the performance of its tasks as laid down in sections 5 and 6, respectively, as described in 1.3.1.2.

Moreover, section 25 of the Banking Law (No.66(I) of 1997), as amended, requires banks to submit to the CBC a certified statement of their assets and liabilities at the end of each month as well as any other information that may be specified by the CBC.

2.1.2 Statistical standards

Monetary aggregates and counterparts were initially compiled according to the International Financial Statistics Methodology, and later in accordance with the IMF Guide on Money and Banking Statistics of 1984.

The balance sheets of CBC and DBs are prepared on the basis of their books, which must be kept in accordance with the International Accounting Standards (IAS). The banks' balance sheets are also in compliance with the Council Directive of 8 December 1986 on the "Annual accounts and consolidated accounts of banks and other financial institutions" (86/635/EEC).

The current framework for monetary statistics is being revised in order to comply with the Regulations and Guidelines of the ECB, the Manual on Monetary and Financial Statistics published by the IMF in 2000, and

the requirements of the Bank for International Settlements.

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

The economic territory of the Republic of Cyprus comprises:

- the territory of the Republic of Cyprus¹;
- the national airspace, territorial waters and the continental shelf lying in international waters over which the country enjoys exclusive rights;
- territorial enclaves (i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between States, by general government agencies of the country (embassies, consulates, military bases, scientific bases, etc.)) for all transactions other than those relating to the ownership of the land constituting the enclave, and of the buildings standing on such land at the time of purchase;
- extraterritorial enclaves (i.e. parts of the country's own geographic territory used by general government agencies of other countries, by the institutions of the European Communities or by international organisations under international treaties or agreements between States) only in respect of transactions relating to the ownership of the land constituting the enclave, and of the buildings standing on such land at the time of sale;

¹ Part of the territory of the Republic of Cyprus is presently under foreign military occupation. This occupied area remains part of the territory of the Republic. The Government of the Republic of Cyprus is, however, prevented by force majeure (i.e. the foreign military occupation) from exercising de facto its powers over it. As a result of this situation, the Government is unable, for the time being, to provide or monitor any data on the economic activity of the said area.

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– deposits of oil, natural gas, etc. in international waters outside the continental shelf of the country, worked by units resident in the territory as defined in the preceding subparagraphs.

The residential status of natural persons is normally determined by reference to the place where they live and work permanently, while that of legal entities is determined by reference not to the place of incorporation but with reference to the place where they are economically active.

Therefore, foreign branches of domestic banks are considered to be non-resident units and their liabilities are not included in the monetary aggregates, whereas domestic branches of foreign banks are considered to be resident and their liabilities are included in the monetary aggregates.

International banking units (IBUs), which are mainly branches of foreign banks or Cyprus-incorporated subsidiaries of foreign banks,

are considered as non-resident institutions and are required to confine themselves to transactions denominated in currencies other than the CYP, and primarily to customers other than residents of Cyprus. For this reason, IBUs do not at the moment form part of the reporting population for the compilation of monetary statistics.

However, as from January, 2002, the BPM5 residency principle has been introduced for b.o.p. and international investment position statistical purposes. This residency definition will be adopted in the near future in monetary statistics as well, in the context of the full implementation of the ECB statistical requirements.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

Table 2

Sector classification	Sectors		Definitions
Money-creating sector	CBC		This sector corresponds to the national central bank.
	DBs		This sector includes all domestic banks (DBs), formerly known as deposit money banks (DMBs) and other financial institutions (OFIs). This was the result of the reclassification of OFIs into the money-creating sector.
Money-neutral sector	Consolidated government accounts	Central government	This sector includes all state administrative departments and some extra-budgetary funds.
		Government agencies	This sector includes various market regulatory organisations.
		Social security funds	This sector includes the state-run, earnings-related social insurance scheme covering all salaried and self-employed persons.
Money-holding sector	Local authorities		This sector includes municipal corporations and other local authorities, such as the Improvement and Development Boards.
	Insurance companies, pension funds and internal funds		This sector includes insurance companies and pension and provident funds.
	Public corporations		This sector includes the public utilities and non-profit institutions that are controlled and mainly financed by the central government. Under the ESA 95 sectorisation, some public corporations will be included in the central government sector and some in the non-financial corporations sector.
	Private residents (individuals and corporate bodies)		This sector includes resident individuals and financial and non-financial corporations not reported elsewhere.
Non-resident sector	Non-resident sector		This sector consists of non-resident corporate and non-corporate persons engaged in transactions with resident institutional units or which have other economic links with resident units.

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Table 2 (continued)

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification
Money-creating sector	CBC		S121 Central bank	S12 Financial corporations	Money-creating sector
	DBs		S122 Other monetary financial institutions		
Money-holding sector	Private residents (individuals and corporate bodies)		S123 Other financial intermediaries, except insurance corporations and pension funds		S11 Non-financial corporations
			S124 Financial auxiliaries		
	Insurance companies, pension funds and internal funds		S125 Insurance corporations and pension funds		
	Public corporations				
	Consolidated government accounts – government agencies				
	Private residents (individuals and corporate bodies)				
			S14 Households		
			S15 Non-profit institutions serving households		
Money-neutral sector	Consolidated government accounts	Central government	S1311 Central government	S13 General government	Money-neutral sector
Money-holding sector	n.a.		S1312 State/regional government		Money-holding sector
	Local authorities		S1313 Local government		
Money-neutral sector	Consolidated government accounts	Social security funds	S1314 Social security funds		
Non-resident sector	Non-resident sector		S211 EU countries	S21 European Union	S2 Rest of the world
			S212 Institutions of the EU		
			S22 Third countries and international organisations		

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

In accordance with the Banking Law (No. 66(I) of 1997), as amended, “bank” (credit institution) means “a body corporate licensed to carry on banking business under the provisions of this Law” and “banking business” means “business carried on in the Republic or abroad from within the Republic consisting of lending of funds acquired from the assumption of obligations to the public, whether in the form of deposits, securities or other evidence of debt”. This Law provides that a licence from the CBC is required for the conduct of banking business in or from within Cyprus. Such a licence, however, does not allow the establishment of banking business abroad.

Credit institutions (banks) operating under the Banking Law can be divided into the following groups:

- *Domestic banks (DBs)*

These credit institutions are licensed to carry on banking business in Cyprus or abroad from within Cyprus. This group consists of banks formerly known as DMBs and OFIs. It should be noted that two DBs hold a restricted banking licence and are not included in the money-creating sector for the time being.

- *International or administered banking units (IBUs or ABUs).*

These credit institutions are licensed to carry on banking business from within Cyprus. They are required, however, to confine themselves to transactions denominated in currencies other than the CYP and primarily to customers other than residents of Cyprus. As from 1 January 2001, IBUs and ABUs have been permitted to grant medium and long-term loans in foreign currencies to residents.

A separate group of credit institutions operates under the Co-operative Societies Law of 1985, as amended:

- *Co-operative credit and savings societies (CCSSs)*

These institutions are neither subject to the supervision of the CBC nor to the prudential standards that apply to credit institutions. CCSSs have indirect access to monetary credit through the Co-operative Central Bank Ltd, which acts as their central bank, but are not subject to the regulations issued by the CBC. The Registrar for Co-operative Development, who reports to the Ministry of Commerce, Industry and Tourism, supervises the operations of CCSSs in order to ensure that they are in compliance with the relevant laws.

It should be noted that IBUs/ABUs, CCSSs and the two DBs that hold restricted banking licences (included in the Preliminary List of MFIs because they fulfil the definition of credit institutions) will form part of the reporting population in the area of money and banking statistics upon accession.

2.3.2 Definition of other monetary institutions

Currently no money markets funds (MMFs) have been identified. However, in the context of the ongoing co-operation between the CBC and the Securities and Exchange Commission, the latter will inform the CBC whenever it issues a licence to an MMF.

2.3.3 Central government units with deposit liabilities included in measures of money

Measures of money do not include any such deposit liabilities.

Table 4*As at end-December 2002*

Institution	Number of institutions
CBC	1
Credit institutions	408
DBs	16
IBUs and ABUs	30
CCSSs	362
Total	409

2.4 Banking business: general deposits/other products

DBs offer their customers a wide range of deposit facilities and other products. These include:

Deposits:

- sight deposits and current accounts, on which cheques can be drawn, in CYP and in foreign currency;
- savings accounts;
- deposits at notice or for fixed periods in CYP and in foreign currency;
- index-linked deposits: fixed deposits for periods of two years or more, with guaranteed invested capital and performance linked to that of foreign stock markets.

Other products:

- credit facilities and related products: short and long-term finance in the form of advances or overdraft facilities, term loans, syndicated loans, discounting of bills, hire purchase finance, financial leasing, factoring and other facilities related to the financing of international trade;
- plastic money: both debit and credit cards;
- private banking: provision of international investment products, banking and other financial services to high net worth individuals;

- foreign exchange: all types of foreign exchange transactions including letters of credit, guarantees, forward contracts and options;
- stock brokerage services: through subsidiaries.

Moreover, DBs have enriched their product range by upgrading their technology. They offer 24-hour service through various automated teller machines (ATMs) installed throughout Cyprus as well as through some fully automated self-service branches. Services are also offered via the telephone (telephone banking), and online banking services have been introduced via the internet (electronic banking) and via mobile telephones (WAP).

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

The MFSS of the CBC and the BS&RD of the CBC have set up a working committee, the main purpose of which is the design and introduction of a new data collection scheme of MFI balance sheet items. This will enable the CBC to produce separate balance sheets that will satisfy both the supervisory requirements of the Bank and the statistical requirements of the ECB, as well as any other relevant statistical requirements.

A description of the main balance sheet items is provided below:

Asset items:

- Cash and balances with the central bank: includes all local and foreign currency notes and coins owned and held by the DBs as well as the total of balances maintained with the CBC in the minimum reserve account, the reverse repurchase agreement (repo) account and the additional deposit account.

- Drafts, cheques and bills bought: includes all cash instruments in the process of collection, i.e. cheques, bankers' drafts, postal and money orders, sight documentary bills of exchange, negotiation of sight documents and claims against credit card payments, which are payable immediately upon presentation.
 - Loans and advances to banks: includes all balances maintained with DBs and banks in foreign countries, as well as balances with Cyprus-based IBUs, including ABUs.
 - Loans and advances to customers: comprises all bills in CYP and in foreign currency, including promissory notes discounted by the DB, as well as the total amount of credit facilities extended in the form of overdrafts on current account and loans, including facilities extended on hire-purchase terms, for factoring purposes, and credit card facilities.
 - Treasury bills.
 - Debt securities: comprises transferable debt securities and any other transferable fixed-income securities, local or foreign, issued by the government, other public bodies, banks, building societies or other issuers.
 - Equity shares: comprises the DBs' total holdings of shares and other variable-yield securities.
 - Participating interests: comprises the total interests held on a long-term basis in the share capital of other banks or companies for the purpose of securing a contribution to their activities by the exercise of significant influence arising from or related to that interest.
 - Shares in group undertakings: includes the total value of shares held on a long-term basis in the capital of a group company, as well as capital assigned to overseas branches.
 - Intangible fixed assets.
 - Tangible fixed assets.
- Liability items:*
- Amounts due to banks: comprises the amount of credit granted by the CBC to the DBs, as well as all balances in CYP and in foreign currency standing to the credit of local and foreign banks, i.e. banks in foreign countries and Cyprus-based IBUs and ABUs.
 - Customer deposits: includes all customer balances in CYP and in foreign currency. Deposits have been divided into demand, notice and fixed-term deposits.
 - Debts evidenced by certificates: includes both debt securities and debts for which transferable certificates have been issued.
 - Loan capital: comprises subordinated and other loan capital in CYP or in foreign currency, which has a minimum initial repayment period of five years and in respect of which there is a contractual obligation that, in the event of winding-up or bankruptcy, it is to be repaid only after the claims of depositors and other creditors have been satisfied.
 - Called-up share capital.
 - Share premium.
 - Revaluation reserves.
 - Profit and loss account.

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2.5.2 Breakdown of the main balance sheet items by maturity, counterparty and currency

Assets		Liabilities	
Breakdown by instrument/maturity	Breakdown by counterparty	Breakdown by instrument/maturity	Breakdown by counterparty
<i>Loans and advances to banks</i> (separately for local and foreign banks) on demand within three months over three months, but not more than one year over one year, but not more than five years over five years	<i>Residents</i> Banks: CBC local banks Non-banks:	<i>Amounts due to banks</i> (separately for local and foreign banks) on demand within three months over three months, but not more than one year over one year, but not more than five years over five years	<i>Residents</i> Banks: CBC local banks Non-banks:
<i>Loans and advances to customers</i> on demand within three months over three months, but not more than one year over one year but not more than five years over five years	government government agencies local authorities public corporations other residents <i>Non-residents</i> foreign banks (including IBUs)	<i>Customer deposits</i> <i>Deposits at notice and fixed-term deposits</i> within three months over three months, but not more than one year over one year, but not more than five years over five years	government government agencies local authorities public corporations insurance companies pension and provident funds private residents (individuals and corporate bodies)
<i>Debt securities</i> due within one year	non-banks (individuals and corporate bodies)	<i>Debts evidenced by certificates</i> <i>Debt securities in issue</i> within one year one year and over <i>Others</i> not more than three months over three months but not more than one year over one year but not more than five years over five years	<i>Non-residents</i> foreign banks (including IBUs) Non-banks: international business companies other corporate bodies Cypriot expatriates other individuals

Where appropriate, assets and liabilities are split into two categories on the basis of the currency in which they are denominated:

amounts in CYP (local currency) and amounts in foreign currency.

Box I

M1 (primary liquidity) includes:

- currency in circulation net of cash in CYP held in the tills of DBs
- demand (overnight) deposits in local and foreign currency of residents (excluding government and government agencies) with DBs
- sight balances of public corporations with the CBC

M2 (total liquidity) includes:

- M1
- savings, notice and fixed deposits in local and foreign currency of residents (excluding government and government agencies) held with DBs
- sinking funds of public corporations with the CBC

2.6 National measure(s) of money: definitions and remarks

2.6.1 National definition of money and instrument breakdown of monetary aggregates

See Box 1.

2.6.2 Sector allocation of holdings of negotiable instruments

The negotiable instruments issued by the money-creating sector currently comprise cash and debt securities issued by DBs.

Owing to the nature of cash money, no explicit allocation between various economic sectors can be made. However, the amount of banknotes and coins held by sectors other than DBs (including both resident and non-resident units) can be derived implicitly as the difference between the currency issued by the CBC and banknotes and coins held by the DBs.

Debt securities issued by DBs and traded in the CSE are mainly distinguished into those held by provident funds, legal and natural persons.

2.7 Counterparts of money

Box 2

Net foreign assets are defined as **Foreign assets less Foreign liabilities**

Foreign assets comprise:

- Official international reserves of the Republic of Cyprus (including reserve position in the IMF and government foreign liquid funds)
- Foreign assets of DBs:
 - balances with foreign banks
 - foreign drafts, cheques and bills bought
 - foreign bills discounted
 - overseas investments
 - cash in foreign currency
 - advances and loans in foreign currency to non-residents

Foreign liabilities comprise:

- deposits with DBs in local and foreign currency by non-residents
- amounts due to foreign banks by the CBC and the DBs

Net claims on the public sector comprises:

- Loans and advances to government and government agencies by the CBC and the DBs
- Investments in Treasury bills and other government securities by the CBC and the DBs

Less

- Deposit of government and government agencies with the CBC (including sinking funds) and the DBs
- Reserve position in the IMF
- Loans and advances to DBs by government

Claims on the private sector comprises:

- Advances and loans by DBs in local and foreign currency to individual residents and in local currency to non-residents.
- Local bills discounted
- Securities issued by public corporations and other local authorities held by DBs
- Shares acquired by DBs in satisfaction of debts
- Government-guaranteed debt securities held by the CBC

Other net items not classified elsewhere comprise:

- Capital and reserves of the CBC and the DBs
- Inter-DB balances and balances between the CBC and the DBs

- Other assets (including fixed assets) and other liabilities of the CBC and the DBs
- Local drafts, cheques and bills bought (DBs)
- Provisions for liabilities and charges (DBs)
- Loan capital of DBs
- Net balances in respect of liquidity-providing/absorbing operations of the CBC
- Liabilities in respect of allocations of SDRs
- Deposits of insurance companies and international organisations with the CBC

2.8 Reserve money

Two measures of reserve money are currently calculated at the CBC.

A narrower measure of reserve money in national terminology is defined as the sum of the following:

- Currency in circulation including cash in CYP held in the tills of DBs;
- All accounts of DBs in CYP maintained with the CBC excluding those in respect of liquidity-absorbing/providing operations.

A broader measure of reserve money is defined as the sum of the following:

- Currency in circulation (including cash in CYP held in the tills of DBs);
- All accounts of DBs in CYP and foreign currencies maintained with the CBC, excluding those in respect of liquidity-absorbing/providing operations;
- Deposits and sinking funds of public corporations and local authorities with the CBC.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

Both the Banking Law and the Central Bank of Cyprus Law empower the CBC to collect information from banks for monetary statistics purposes, specifically as follows:

• *Banking Law*

In accordance with Section 25(1), banks are required to submit to the CBC within 15 days of the end of each month, or within such a longer period as the CBC may determine, a certified balance sheet as at the end of that month in a form prescribed by the CBC.

Furthermore, Section 25 (2) provides that the CBC may require a bank to submit periodically or at its request such other information and within such time as may be specified by the CBC.

It should be noted that, in accordance with Section 43 (2), the infringement of Section 25 is an offence punishable by a fine. In addition, under Section 42, the Governor of the CBC has the power to impose, for each and every contravention of Section 25, an administrative fine.

• *Central Bank of Cyprus Law*

The CBC is authorised under section 63 of the new CBC Law to request that banks and designated financial institutions, government services, public corporations, as well as any natural person or legal entity, without being entitled to invoke bank secrecy or any other form of secrecy, should report to the Bank all the data and information in their possession which are necessary for the fulfilment of the Bank's objectives and for the performance of its tasks as laid down in sections 5 and 6, respectively (as described in section 1.3.1.2).

Section 65 of the CBC Law deals with offences and the right to impose sanctions. The provisions specifically provide in this context that any person who contravenes

any of the provisions of the CBC Law shall be guilty of an offence and, in case of conviction, shall be punished with a fine not exceeding fifty thousand pounds and, in case of continuing offence, with a further fine of up to one thousand pounds for each day that the offence was applicable.

2.9.2 Identification of the reporting population (reporting coverage)

As already mentioned in section 2.3.1, CCSSs, IBUs/ABUs and the two DBs holding a restricted banking licence are not included in the reporting population for the compilation of monetary statistics for the time being.

2.9.3 Reporting schemes

The 14 DBs which are the reporting institutions for the compilation of monetary statistics use a uniform reporting scheme that is described in section 1.3.2.3 under the "Bank balance sheet statistics/monetary aggregates and counterparts" column. The balance sheet must be prepared in accordance with the IAS, as required by the CBC.

2.9.4 Special reporting procedures for the national central bank

The CBC balance sheet is prepared on a monthly basis and is available on the second

working day of the following month. The data are downloaded from the general ledger of the CBC and the balance sheet is then compiled electronically. The CBC balance sheet is submitted to the Governor and subsequently published in the Official Gazette.

The CBC balance sheet is prepared in accordance with the applicable provisions of the CBC Law and the International Accounting Standards. The historical cost accounting convention is followed, except for the valuation of the following financial items:

- foreign currency balances: valued at mid-market closing exchange rates at the balance sheet date;
- securities: valued at cost, adjusted for the amortisation of the premium or discount, which is effected on a straight-line basis over the period to maturity;
- bullion: valued using the recommended methodology of the European Monetary Institute (EMI).
- fixed assets: valued at cost, less depreciation. Land and works of art are not depreciated.

Moreover, a report is prepared every six months on the currency, funds and securities which is submitted to the President of the Republic for further submission to the House of Representatives.

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the category total)	% (of the total balance sheet of all institutions)
CBC	1	100	14.2
DBs	14	100	85.8
Other monetary institutions	0	-	-
Total	15	-	100

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

The data provided by reporting institutions refer to end-of-period stocks.

2.10.2 Revisions

With respect to the CBC financial statements, any revisions prior to publication are carried out irrespective of the time period. The CBC balance sheet is published in the CBC's Annual Report, which is usually released by July of the following year. In the rare event that the financial statements need to be revised after publication, this is carried out in the financial statements of the following year and in accordance with the relevant IAS.

When banks' balance sheet statistics and monetary aggregates and counterparts are first released, the data are considered provisional. Revisions to the data are made as and when required, and the revised figures are included in the next release.

When major revisions or reclassification of items occur, the CBC requests banks to revise their figures on a monthly basis, starting with the month in question and going backwards to cover a period which will include the two preceding Decembers.

2.10.3 Derivation of flow statistics

During the process of monthly monitoring of banks' balance sheets, certain changes due to reclassifications, revaluations and write-offs/write-downs are often identified and used for internal analysis. As far as reclassifications are concerned, if the need arises, stocks of data for past periods are adjusted accordingly. The ECB's requirement for the derivation of flow statistics will be fulfilled in the context of implementation of Regulation ECB/2001/13 and the Guideline ECB/2002/5. Therefore, the first harmonised flow statistics are scheduled to be compiled upon accession.

2.10.4 Seasonal adjustments

The only published figures that are seasonally adjusted on an annual basis are the growth rates of currency in circulation, demand deposits, primary liquidity, quasi-money, total liquidity and claims on the private sector. These figures are deseasonalised using the X-11 method of the Washington-based Bureau of the Census.

2.11 Publication

2.11.1 First release of data (including the medium)

The CBC balance sheet is published monthly in the weekly Official Gazette, usually by the end of the following month.

The first release of monetary statistics to the public is made about 21 days after the end of the reference month, in a publication entitled "Monetary Survey". This publication is first released to the public in paper form and, within a few days of its release, is available on the website of the CBC (www.centralbank.gov.cy). In addition, it is mailed to various interested parties and is also available on demand from the CBC.

This publication includes inter alia data on monetary aggregates and counterparts, a summary of the assets and liabilities of the CBC, DBs and IBUs, and total deposits and loans for the CCSSs. It also includes data on sectoral distribution of DB credit, an analysis of DB advances and loans in local and foreign currency, analysis of DB deposits by sector and type, as well as further analysis of DB time deposits.

2.11.2 Core weekly/monthly publications

Another core publication through which monetary statistics are disseminated is the "Monthly Monetary Policy Report", which has been produced since August 2001. This report is published two weeks following the

meeting of the Monetary Policy Committee (MPC), which is usually held on the second Thursday of the month. It includes monthly data on monetary aggregates and counterparts, the sectoral distribution of DB credit and base money. It is published in paper form and on the Bank's website (www.centralbank.gov.cy).

2.11.3 Other statistical publications

In addition to the publications mentioned in Sections 2.11.1 and 2.11.2, the CBC publishes its Annual Report about six months after the end of the year of reference. It is available in paper form only and includes data on monetary aggregates and counterparts, a summary of the assets and liabilities of DBs, an analysis of credit to the private sector by sector, the total deposits and loans of the CCSS, and the financial statements of the CBC.

Moreover, monetary statistics are contained in the following publications of the SSR:

- “Monthly Economic Indicators”, published every six months in paper form.

This publication includes data on monetary aggregates and counterparts, total deposits and loans of CCSS, as well as an analysis of CCSS deposits and loans. It includes monthly data for the last twenty-four months, quarterly data for the last eight quarters, and annual data for the last three years.

- “Statistical Abstract”, published annually in paper form.

This publication includes annual data on the volume of money, the consolidated balance sheet of DBs, DB deposits and advances, loans and bills discounted by sector, currency in circulation and loans and deposits of CCSSs.

3 Contacts at the Central Bank of Cyprus

Any queries concerning the issues described in this country chapter should be addressed to:

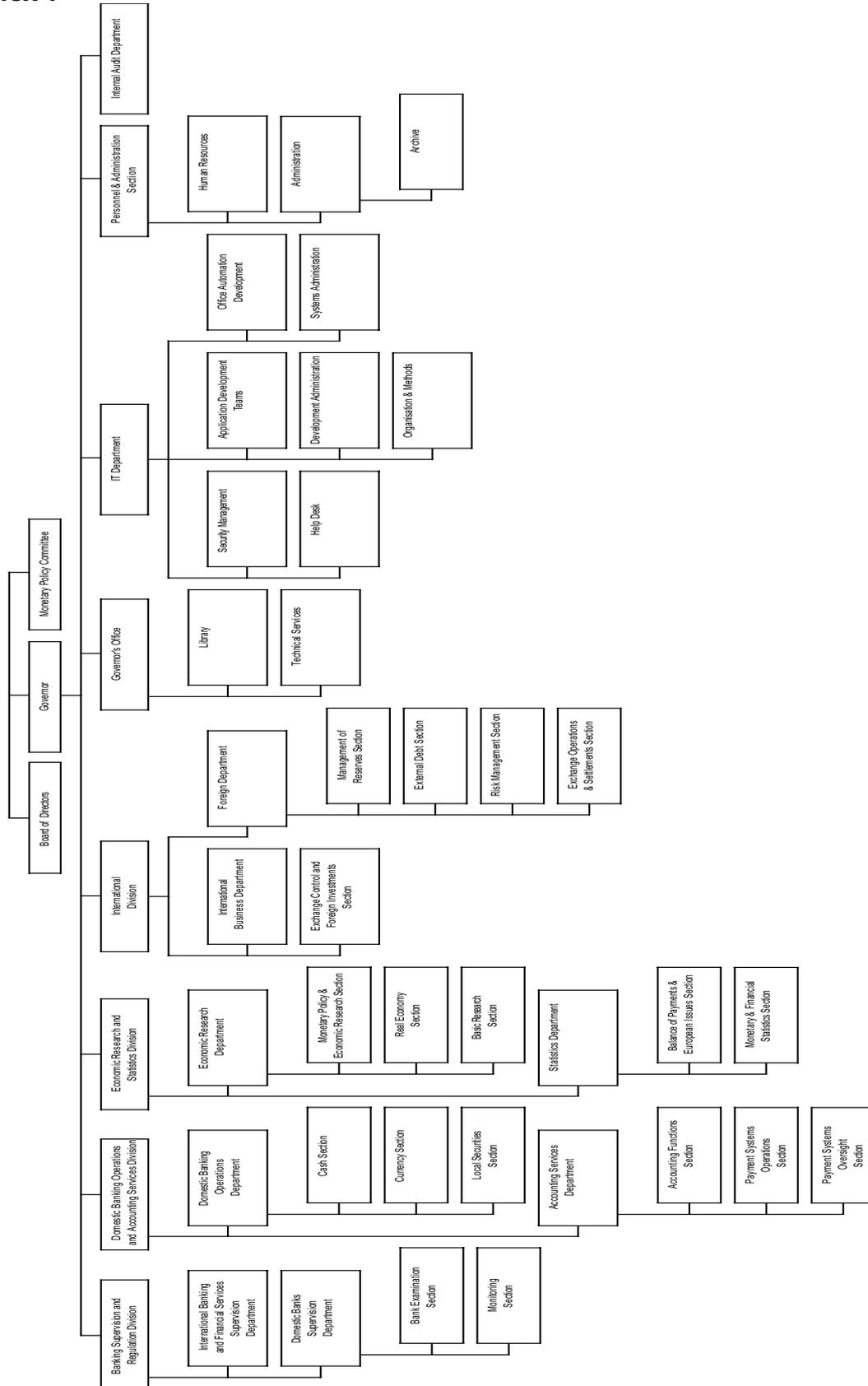
Eliana Psimolophites
 Monetary and Financial Statistics Section
 Economic Research and Statistics Division
 Telephone: +357 22 714437
 Fax: +357 22 378155
 E-mail:
ElianaPsimolophites@centralbank.gov.cy

Androulla Melifronidou
 Monetary and Financial Statistics Section
 Economic Research and Statistics Division
 Telephone: +357 22 714438
 Fax: +357 22 378155
 E-mail:
AndroullaMelifronidou@centralbank.gov.cy

Christina Nicolaidou
 Monetary and Financial Statistics Section
 Economic Research and Statistics Division
 Telephone: +357 22 714429
 Fax: +357 22 378155
 E-mail:
ChristinaNicolaidou@centralbank.gov.cy

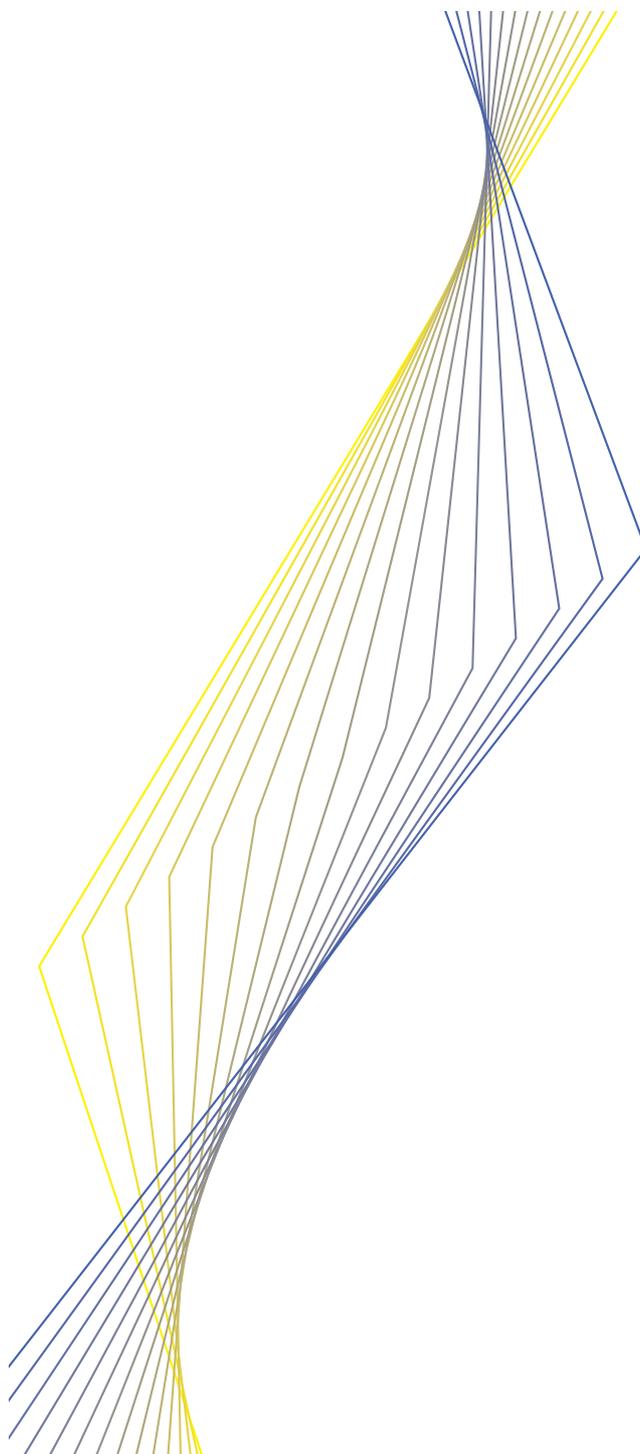
Annex I

Central Bank of Cyprus Organisation Structure





EUROPEAN CENTRAL BANK



Czech Republic

Czech Republic

List of abbreviations

b.o.p.	balance of payments
CIs	credit institutions
CNB	Czech National Bank
CoD	certificate of deposit
Coll.	Collection of laws
CPI	consumer price index
CSO	Czech Statistical Office
CZK	Czech koruna
ESA 95	European System of Accounts 1995
FDI	foreign direct investment
GDP	gross domestic product
IAS	International Accounting Standards
i.i.p.	international investment position
IMF	International Monetary Fund
MBS	money and banking statistics
MFI	monetary financial institution
MLSA	Ministry of Labour and Social Affairs
MMF	money market fund
MoF	Ministry of Finance
NPF	National Property Fund
PPI	producer price index
SDDS	Special Data Dissemination Standard
SNA 1993	System of National Accounts 1993

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

Česká národní banka – the Czech National Bank (CNB) – is divided into eleven departments and three special departments. These eleven departments are further divided into divisions. The statistics divisions are part of the Monetary and Statistics Department.

See Annex I.

I.1.2 Organisation of statistical work at the national central bank

The CNB's Monetary and Statistics Department is divided into eight divisions (the organisational chart of the CNB's Monetary and Statistics Department is also included in Annex I). The statistical work is maintained in three divisions, which are responsible for the compilation and dissemination of money and banking statistics (MBS), the compilation and administration of the balance of payments (b.o.p.), and for the development of statistical data systems.

- The Money and Banking Statistics Division is responsible for the design, methodology and compilation of balance sheet statistics and interest rate statistics in line with national and ECB requirements. Furthermore, the MBS division is responsible for the projection of all (statistical and supervisory) statements submitted by commercial banks and other monetary financial institutions (MFIs). This division compiles statistical surveys for the CNB's monetary analyses, for international authorities and other users within the CNB, as well as the general public. The MBS division is also responsible for the compilation and maintenance of the List of MFIs in the Czech Republic.

- The Balance of Payments Division (BoP Division) is responsible for the concept, methodology and compilation of b.o.p. statistics, foreign direct investment (FDI) and portfolio investment statistics, and the international investment position (i.i.p.). It is also responsible for providing these data to international institutions and for co-ordinating the IMF's Special Data Dissemination Standard (SDDS) system. In order to compile the b.o.p. and i.i.p., statistical information from the banking sector, corporate sector and government institutions is used.

- The Statistical Data Processing Division is responsible for collecting and processing statistical data for CNB purposes, and ensures the statistical data exchange with national and international institutions. This division manages the development of the banking information system, including the meta-information system, and publishes statistical data on the CNB website.

Other departments and/or divisions also participating in the final compilation of MBS data include:

- the Monetary Analysis and Public Finance Division (the national monetary survey and monetary base);
- the Banking Regulation Department and Banking Supervision Department (methodological design and data compilation for supervisory purposes);
- the Financial Markets Department (databases on exchange rates, interest rates and the official reserves held by the central bank).

I.2 Legal background

Four basic laws provide the framework for the activities of the central bank of the Czech Republic:

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- Act No. 6/1993 Coll.¹ on the Czech National Bank (as amended);
- Act No. 21/1992 Coll.¹ on Banks (as amended);
- The Foreign Exchange Act No. 219/1995 Coll.¹ (as amended);
- Act No. 124/2002 Coll.¹ of 13 March 2002 on the Transfers of Funds, Electronic Payment Instruments and Payment Systems (the Payment System Act) – in force as from 1 January 2003.

The complete wording of these laws is available in English on the CNB website at <http://www.cnb.cz> in the “Legislation” section.

The Act on the CNB and the Act on Banks define these entities and provide the legal framework for their activities. The Foreign Exchange Act stipulates the rights and obligations of residents and non-residents in foreign exchange relations, the conditions for foreign exchange licences and permits, and the nature of the foreign exchange supervision provided by the CNB and the Ministry of Finance (MoF). The Payment System Act regulates transfers of funds, the issuance and use of electronic payment instruments, and the establishment and operation of payment systems.

The CNB is authorised under the Act on the CNB to issue secondary legislation (“provisions” and “decrees”) laying down the detailed legal framework for some of the activities of the central bank, commercial banks and certain other entities. Many of these focus on the banking supervision provided by the central bank. The most important provisions in this area are:

- Decree of the CNB No. 166/2002 Coll.¹ of 8 April 2002 stipulating the Essential Elements of a Banking Licence Application; the essential elements of an application for the consent of the Czech National Bank to acquire or increase a qualifying holding in

a bank, to a person concluding a control agreement with a bank or to a person executing a legal act aimed at taking control of a bank; and the essential elements of a notification of a reduction of a qualifying holding in a bank or of forfeiture of the position of parent undertaking in respect of a bank;

- Decree of the CNB No. 333/2002 Coll.¹ of 3 July 2002 stipulating the Prudential Rules of Parent Undertakings on a Consolidated Basis;
- Provision of the CNB No. 3 of 28 June 1999 on the Capital Adequacy of Banks, including Credit and Market Risks (as amended by CNB Provision No. 5 of 7 September 2000) – in force until 31 December 2002;
- Provision of the CNB No. 2 of 3 July 2002 on the Capital Adequacy of Banks and other Prudential Rules on a Solo Basis – in force as from 1 January 2003;
- Provision of the CNB of 9 July 1998 on the Principles of Classification of Claims on Credits and Creation of Provisions for Such Claims – in force until 31 December 2002;
- Provision of the CNB No.9 of 6 November 2002 stipulating rules for the assessment of financial receivables and the creation of provisions and reserves, and rules for the acquisition of certain types of assets – in force as from 1 January 2003;
- Provision of the CNB No. 2 of 27 April 2001 on standards for managing liquidity in banks;
- Provision of the CNB No. 3 of 30 July 2002 on credit risk management in banks – in force as from 1 January 2003;

¹ Collection of laws.

- Provision of the CNB No. 4 of 30 July 2002 on market risk management in banks – in force as from 1 January 2003.

All the decrees and provisions are published in the Bulletin of the CNB and also in English on the CNB website at <http://www.cnb.cz> in the “Legislation” section.

Other CNB decrees and provisions regulate the issuance of banknotes and coins, foreign exchange supervision and the collection of data by the CNB; some of these can be found in English on the CNB website. A list of the provisions on data collection and statistics can be found in Section 2.1.1.

1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The CNB is a legal entity carrying out its activities under the special law mentioned in Section 1.2. The CNB is independent of the Government.

In particular, the CNB acts as:

- the monetary authority of the Czech Republic;
- the issuer of banknotes and coins;
- the controller of currency circulation and the clearing house for payments and settlements between domestic banks in local currency;
- the regulator and supervisor of the domestic banking sector;
- the supervisor of the foreign exchange area in the Czech Republic, the manager of monetary reserves and the declarer of the exchange rates of the Czech currency;
- the keeper of the accounts of the state budget, state funds and state financial

assets and liabilities for government revenue and expenditure.

1.3.1.2 General responsibilities of the national central bank

The primary objective and responsibility of the CNB is to maintain price stability. For this purpose, the CNB:

- sets monetary policy;
- issues banknotes and coins;
- manages the circulation of currency, administrates payments and clearing between banks and promotes their smooth and efficient operation;
- supervises the activities of banks, foreign banks' branches and any consolidated groups that contain a bank that has its registered address in the Czech Republic, and sees to the sound operation and rational development of the banking system in the Czech Republic.

In pursuing its primary objective, neither the CNB nor the Bank board shall seek or take instructions from the President, from Parliament, from the Government or any other public body. The CNB and the Government inform each other on matters concerning the principles and measures of monetary and economic policy. The CNB acts in an advisory capacity vis-à-vis the Government in respect of matters of monetary policy and banking.

The CNB is not allowed to grant any loans or funds to the Government or public bodies.

The CNB is obliged to:

- submit a report on monetary developments to Parliament at least twice a year;
- inform the general public on monetary developments at least once every three months.

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The CNB also provides information on monetary developments and the b.o.p. to international monetary and statistical institutions.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

In addition to its competencies in the field of money and banking statistics, the CNB also conducts statistical activities in the following areas:

The CNB is fully responsible for b.o.p. statistics and for compiling the b.o.p. figures for the Czech Republic. The CNB compiles the international investment position and FDI and portfolio investment statistics. It collects data for these purposes from domestic banks, branches of foreign banks and other reporting agents, using data from the Czech Statistical Office (CSO), the MoF and other sources of information as well.

The CNB collects data on reserve base statistics. Such data are only provided by domestic banks and branches of foreign banks, and are used to check whether individual domestic banks and branches of foreign banks meet the minimum reserve requirements. No other entities are subject to reserve requirements.

The CNB is fully responsible for collecting and compiling data to enable prudential supervision of the banking sector. The MoF and other authorities (e.g. the Securities Commission) are responsible for overseeing other financial institutions.

The CNB's other statistical activities include, in particular, the statistical investigation of inflation expectations and certain statistics relating to securities, financial derivatives and the financial markets.

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

The main macroeconomic statistical activities carried out by other public authorities are as follows:

CSO:

- national accounts statistics and compilation of macroeconomic aggregates (GDP);
- price indexes (consumer price indexes (CPIs), producer price indexes (PPIs), etc.);
- foreign trade statistics (including balance of trade);
- other macroeconomic statistics on
 - industry and construction
 - services
 - the population
 - labour and social statistics
 - environment and agriculture.

MoF:

- general government statistics.

Ministry of Labour and Social Affairs (MLSA):

- unemployment statistics.

The CNB and CSO collaborate in the following areas in particular:

- provision of aggregated data by the CNB to the CSO on the banking sector, the b.o.p., FDI, etc. in order to compile the financial accounts and to meet other CSO needs;

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>Monthly assets and liabilities statement (Balance Sheet for MBS)</p> <p>Partial monthly statements linked to the balance sheet on deposits, loans and securities (held and issued), broken down in terms of counterpart sectors, currencies, maturity etc. – see Sections 2.5.2 and 2.9.3</p> <p>Quarterly statement on selected assets and liabilities broken down by country.</p> <p>Monetary aggregates and counterparts are compiled in the CNB on a national as well as on a harmonised basis</p>	<p>Monthly survey of stock of client loans and deposits broken down by currency and interest rate</p> <p>Monthly survey of newly granted client loans broken down by currency and interest rate</p> <p>Financial market interest rates</p>	<p>Monthly survey of securities issued by banks</p>
Collecting agents	CNB	CNB	CNB
Users	<p>CNB</p> <p>CSO</p> <p>Central government</p> <p>International financial institutions</p>	<p>CNB</p> <p>CSO</p> <p>Central government</p> <p>International financial institutions</p>	CNB
Description	<p>Data are collected electronically:</p> <ul style="list-style-type: none"> – 15 calendar days after the end of the reference period (January–November) – 31 calendar days after the end of December 	<p>Data are collected electronically:</p> <ul style="list-style-type: none"> – 17 calendar days after the end of the reference period (January–November) – 31 calendar days (for new loans 17 days) after the end of December 	<p>Data are collected electronically:</p> <ul style="list-style-type: none"> – 15 calendar days after the end of the reference period (January–November) – 31 calendar days after the end of December

- receipt of data from the CSO for the CNB relating to price indices, the balance of trade, macroeconomic indicators (GDP, etc.) and selected types of financial institution.

1.3.2.3 An overview of statistical data collection and compilation

See Table I.

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	The reserve base is compiled monthly from the MBS balance sheet	Sources: CSO: Non-financial corporations Households Non-profit institutions Other financial intermediaries CNB: Financial corporations MBS (balance sheet data) b.o.p. + i.i.p. MoF: Central government	<ul style="list-style-type: none"> • Monthly statement of the foreign exchange and CZK position of banks (compiled from 2003 in the CNB from balance sheet statistics data) • Monthly and quarterly surveys of foreign exchange payments and collections. • Portfolio investment statistics (foreign and domestic securities – see section 2.9.3) • Trade balance from CSO • Customs statistics • Direct reporting from enterprises, foreign claims and liabilities, FDI 	17 reports for banking supervision purposes in accordance with the CNB provisions mentioned in Section 1.2, including balance sheet and profit and loss accounts compiled strictly according to accounting standards
Collecting agents	CNB	CSO CNB MoF	CNB CSO MoF	CNB
Users	CNB	CNB CSO Central government International financial institutions	CNB CSO Central government International financial institutions	CNB – banking regulation and banking supervision departments
Description	Data are collected electronically within the framework of the balance sheet at the same frequency and timeliness.	Data are collected from different sources. Final compilation is performed by CSO on an annual basis.	Data are collected electronically (mainly) and on paper with various degrees of timeliness.	Data are collected electronically – on a solo basis 23 calendar days after the end of the reference period (usually monthly) – on a consolidated basis 35 calendar days after the end of reference period (quarterly).

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

The fundamental legal basis for money and banking statistics is set forth in the Act on the CNB and in the Act on Banks. Under these acts, the CNB:

- specifies principles in legal rules and coordinates the development of the banking information system for money and banking

statistics. The CNB is entitled to require from banks, branches of foreign banks and other entities which are financial institutions or have at their disposal information necessary for the compilation of the balance of payments in the Czech Republic such information and materials as are necessary for its activities;

- establishes in specific decrees or provisions the methodology and conditions for submitting the required information and materials, defining, in particular, the

content, form, format, deadlines and manner of transmitting the said information and materials;

- obliges, conversely, banks and branches of foreign banks to submit all required information and materials.

For this purpose, the CNB has issued the following decree and provisions in the field of money and banking statistics (latest valid wording):

- CNB Provision No. 6 of 30 November 2001 stipulating the Submitting of Statements by Banks and Branches of Foreign Banks to the CNB, as amended by CNB Provision No. 7 of 30 August 2002 (replaced by new provision No. 10 of 3 December 2002, in force as from 1 January 2003);
- CNB Provision No. 7 of 19 December 2001 stipulating the Methodology for Compiling of Statements Submitted by Banks and Branches of Foreign Banks to the CNB, as amended by CNB Provision No. 8 of 25 September 2002 (replaced by new provision No. 13 of 18 December 2002 in force as from 1 January 2003);
- CNB Provision No. 10 of 6 November 1997 stipulating the Manner of Transmitting and Accepting of Automated Statements Data Submitted by Banks and Branches of Foreign Banks to the CNB;
- CNB Provision No 36/2002 of 25 August 2000 stipulating Payment Items to Code Financial Transactions by Purpose – in force until 31 December 2002;
- Decree of the CNB No. 514/2002 Coll.¹ of 20 November 2002 stipulating the terms and conditions for coding by purpose transactions necessary for the compilation of the balance of payments in the Czech Republic – in force as from 1 January 2003.

All these provisions have been published in the CNB Bulletin. The provisions on statements are only available in the Czech

language. In view of their character and specific purpose, they have not been put on the CNB website; however, work is underway to post the new provisions No. 10/2002 and No. 13/2002 in full on the CNB website (Czech version only).

The provision on payment items was published in the CNB Bulletin and also in the Collection of Laws and has been posted on the CNB website (Czech and English versions). The decree on coding transactions necessary for the compilation of the balance of payments has been published in the Collection of Laws and posted on the CNB website.

2.1.2 Statistical standards

The money and banking statistics follow numerous national and international standards, first and foremost in code lists used for this purpose. Many of the statistical standards in the Czech Republic are set out in CSO provisions, and most have been harmonised with EU standards. The most important CSO provisions used in money and banking statistics are:

- CSO Provision of 7 May 1993 (as amended) on the Country Code List;
- CSO Provision of 1 December 1993 (as amended) on the Branch Classification of Economic Activities;
- CSO Provision of 13 December 1995 (as amended) on the Currency Code List;
- CSO Provision of 20 October 1997 (as amended) on the Institutional Sectors and Sub-sectors Code List.

The European System of Accounts 1995 (ESA 95) sector and sub-sector classification has been used in state statistics (except banking statistics) since 1998. The definition of residents and non-residents was only harmonised with the revised System of National Accounts (SNA 1993) in the banking

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statistics in the same year. The ESA 95 sector classification has been fully applied in money and banking statistics since January 2001.

The branch classification of economic activities used both in state statistics and in money and banking statistics is based on Council Regulations (EEC) Nos. 3037/90 and 761/93.

The other main international statistical standards applied are:

- ISO 31661 Country Codes and ISO 31662 Country Subdivision Codes;
- ISO 4217 Tables of Codes for the Representation of Currencies and Funds.

Banking statements for money and banking statistics are linked to Czech accounting standards, especially to the Chart of Accounts and Accounting Instructions for Banks as decreed by the MoF. EU Directives on accounting and the International Accounting Standards (IAS) were implemented in the last amendment to the Accounting Law and in the Czech accounting standards for banks and some other financial institutions, which entered into force in January 2002.

The money and banking statistics system at the CNB is comprehensive and interlinked, so that all of the standards used are applied to all parts of the money and banking statistics.

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

According to the statistical definitions, “residents” are all domestic and foreign legal and natural persons, including branches of

foreign banks and foreign owners of buildings and land, that have their centre of economic interest within the economic territory of the Czech Republic. Foreign legal and natural persons are considered residents after one or more years of economic activity within the territory of the Czech Republic, with the exception of branches of foreign banks and foreign owners of buildings and land, which become residents at the moment of the relevant legal act (foreign owners of buildings and land only in respect of transactions affecting the said land or buildings).

Branches of units which are located abroad (having their centre of economic interest within the territory of another country) are considered non-residents from the point of view of the Czech Republic.

The economic territory of the Czech Republic comprises:

- the geographic territory administered by the Czech Government,
- Czech national airspace,
- territorial enclaves – i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between states, by general government agencies of the Czech Republic (embassies and consulates).

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

The MBS sector classification in the Czech Republic is based on the ESA 95, as described below (see Table 2):

Table 2

Sector classification	Sectors	Definitions
Money-creating sector	S121	Central bank – in the Czech Republic, the CNB
	Part of S122 – banks	Other monetary financial institutions – in the Czech Republic, universal banks as well as building savings banks (building societies)
Money-holding sector	Part of S122 – non-banks	Other monetary financial institutions – in the Czech Republic, credit unions and money market funds
	S123	Other financial intermediaries
	S124	Financial auxiliaries
	S125	Insurance corporations and pension funds
	S100	Non-financial corporations
	S140	Households
	S150	Non-profit institutions serving households
Money-neutral sector ²	S1311	Central government
	S1312	State government ³
	S1313	Local government
	S1314	Social security funds
Non-resident sector	(S2)	Non-residents ⁴

1 For the compilation of harmonised monetary aggregates and counterparts, the money-neutral sector comprises central government only. For the compilation of national monetary aggregates and counterparts, the money-neutral sector contains the entire government sector.

2 Owing to the state structure of the Czech Republic, no institutional unit is classified in this sub-sector. Regional government bodies are included in sub-sector S1313.

3 In MBS the same sub-sectors are used for non-residents as for residents.

2.3 Population of monetary financial institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

Credit institutions (CIs) are defined in accordance with the ESA 95, and comprise universal commercial banks, building savings banks (building societies) and credit unions (called “savings and credit co-operatives”).

All banks and branches of foreign banks in the Czech Republic have to be established and carry out their activities in accordance with Act No. 21/1992 Coll. on Banks. The Act does not define any specific categories of banks, so that – in law – all banks (except building savings banks) are treated as universal banks.

Under the Act on Banks, a bank is a legal entity founded as a joint stock company with its registered office in the Czech Republic which:

- accepts deposits from the general public,
- provides credits, and
- has been granted a banking licence for the purpose of carrying out its activities.

In addition to the activities listed above, a bank may carry out other activities stipulated in its banking licence pursuant to the Act on Banks (such as investing in securities, financial leasing, guaranteeing and collecting payments, issuing payment instruments, etc.). The range of additional activities can be limited by the CNB through the bank’s licence.

In line with their own business decisions and within the scope of their licences, universal banks carry out a range of different activities which in other countries are carried out by different specialised banks, such as savings banks, mortgage banks and merchant banks.

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2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

See Table 3.

Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification	
Money-creating sector	S121 Central bank		S121 Central bank		Money-creating sector	
	S122 Other monetary financial institutions – <i>banks</i>		S122 Other monetary financial institutions			
Money-holding sector	S122 Other monetary financial institutions – <i>non-banks</i>		S12 Financial corporations		Money-holding sector	
	S123 Other financial intermediaries, except insurance corporations and pension funds					
	S124 Financial auxiliaries		S124 Financial auxiliaries			
	S125 Insurance corporations and pension funds		S125 Insurance corporations and pension funds			
	S11 Non-financial corporations		S11 Non-financial corporations			
	S14 Households		S14 Households			
	S15 Non-profit institutions serving households		S15 Non-profit institutions serving households			
Money-neutral sector	S13 General government	S1311 Central government	S1311 Central government		Money-neutral sector	
		S1312 State government	S1312 State government		Money-holding sector	
		S1313 Local government	S1313 Local government			
		S1314 Social security funds	S1314 Social security funds			
Non-resident sector	S2 Non-resident sector ⁵		S211 EU countries	S21 European Union	S2 Rest of the world	Non-resident sector
		S212 Institutions of the EU				
		S22 Third countries and international organisations				

⁵ In the Czech Republic MBS, non-residents are broken down into the adjacent sub-sectors using a combination of sector codes and country codes (including international organisations).

Banking activities may also be carried out in the Czech Republic by foreign banks through their branches, provided they have obtained the necessary banking licence from the CNB.

Building savings banks (building societies) are also established under the Act on Banks, but their activities are regulated by the additional Act No. 96/1993 Coll. on Building Savings and the State Grant for Building Savings (as amended).

Building savings banks (building societies) perform the following special activities in particular:

- accepting deposits from participants in building savings schemes;
- providing credits to participants in building savings schemes;
- providing state grants to participants in building savings schemes.

Credit unions (savings and loan co-operatives) are identified and included in sub-sector S122 in accordance with the ESA 95, but they are not part of the money-creating sector (see Table 2.3). The situation in the credit unions sector is very unstable, and the number of active credit unions is declining constantly. As the amount of deposits with credit unions is approximately only 0.1% of the total bank deposits of the resident money holding sector, the cutting-off-the-tail principle will be applied to these institutions.

2.3.2 Definition of other monetary financial institutions

Money market funds (mmFs) are identified and included in sub-sector S122. The volume of units issued by money market funds, and hence the share of this sub-sector, has been rising constantly over the last two years, and currently stands at approximately 4% of the total bank deposits of the resident money holding sector.

The national definition of MMFs should be fully harmonised with the ECB definition in the Czech legal system from 2004. However, the MMFs have already started to harmonise their statutes with the ECB definition.

Table 4

As at end-December 2002

Institutions	Number of institutions
National central bank	1
Credit institutions	84
Universal commercial banks	31
Building savings banks (building societies)	6
Credit unions (savings and loan co-operatives)	47
Other monetary institutions (money market funds)	13
Total	98

2.3.3 Central government units with deposit liabilities included in measures of money

In the Czech Republic there are no central government deposit liabilities of a monetary nature.

2.4 Banking business: general deposits/other products

Bank deposits include any financial means (funds) entrusted to the bank that create an obligation on the part of the bank to repay such financial means (funds) to the depositor. The main kinds of deposit product are demand deposits, overnight deposits, term deposits (deposits with agreed maturity, deposits redeemable at notice), savings deposits (demand/overnight, redeemable at notice, with agreed maturity) and certificates of deposit.

Credits are financial means (funds) in any form granted temporarily by the bank to debtors. The main kinds of credit product include overdrafts, short-term, medium-term and long-term bank loans, including repurchase agreements, debt securities purchased in primary issues and not intended for trading, factored receivables and other

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current receivables (mortgages, receivables of guarantees, etc.).

Securities issued by banks include bills of exchange (deposit and other), bonds, mortgage bonds, other coupon debt securities and discount debt securities.

Transactions in securities (in the trading and banking book) and financial derivatives on the bank's own account.

Domestic and cross-border payments and settlements include simple payments, fixed payment orders, collections of payments, documentary payments and collections, including open letters of credit, debit cards, credit cards and cheques.

Other main banking activities include foreign currency trading (including exchange services), the granting of guarantees, and hedging (against foreign exchange risk or credit risk, etc.).

Other banking services include especially securities trading on a client's account, issuing securities for clients, financial brokerage (sale of insurance, units of mutual funds etc., primarily from companies within the same banking group), custody services and asset management, business and banking consultancy services and portfolio management.

2.5 Statistical balance sheets of the monetary financial institutions

2.5.1 Description of the main balance sheet items

The contemporary harmonised form of the "Monthly Assets and Liabilities Statement" (i.e. the balance sheet of the CNB and commercial banks for MBS) has a seven-column structure. The data in the columns show:

- gross assets/liabilities items, total;
- gross assets/liabilities in CZK (residents, non-residents);

- gross assets/liabilities in EUR (residents, non-residents);

- gross assets/liabilities in other foreign currency (residents, non-residents).

The ECB rules have already been implemented. The balance sheet of banks consists mostly of more detailed items than set forth in Regulation ECB/2001/13. These are used for analytical purposes and to crosscheck the partial balance sheet statistics statements against the basic balance sheet. The main balance sheet items for monetary and banking statistics are:

On the assets side:

- cash (on hand)
- granted loans and placed deposits, comprising:
 - deposits with and loans to central banks and loans to and other receivables from other banks (debit balances on current accounts; loans to and term deposits with banks; operating funds in and long term funds granted to foreign branches);
 - loans granted to clients (non-financial organisations, other financial and insurance institutions, general government, households, non-profit institutions) for business purposes, lending for housing investments, consumer credits, etc., including debit balances on current accounts and bad loans;
- non-negotiable securities held by the bank;
- other debt securities held by the bank;
- money market fund units and shares held by the bank;
- other shares and other equity held by the bank;
- fixed assets, consisting of the tangible and intangible assets of banks, including acquisitions of such assets;

On the liabilities side:

- currency in circulation;
- received deposits and loans, comprising:
 - loans and deposits received from the central bank and deposits and loans received from other banks (credit balances on current accounts, loans received from and term deposits of banks, operating funds received from branches and subordinated loans and deposits received from banks);
 - clients' deposits (including deposits from general government);
 - loans received from clients (including loans received from general government and subordinated loans);
- non-negotiable securities issued by the bank;
- other debt securities issued by the bank;
- capital and reserves, i.e. amounts arising from the issue of equity capital, reserves and provisions, funds from profits, capital funds and profits and losses;

On both the assets side and the liabilities side, the main items given above are supplemented with other assets and other liabilities. These comprise remaining items such as the fair value of derivatives, other receivables/liabilities to legal and natural persons, differences on the valuation of granted/received loans and deposits and securities held by the Bank, and on the asset side, also inventories, gold, other cash and precious metals.

Notes:

1. In 2002, money market debt securities were monitored separately on both the assets side and the liabilities side; as from the start of 2003, they are now included under other debt securities in compliance with Regulation ECB/2001/13.

2. Repo funds are included under loans granted or received. Underlying securities used as collateral in repos remain in the ownership (on the balance sheet assets) of the original holder, while the temporary acquirer presents these securities in the off-balance sheet.

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

The breakdown of the main balance sheet items is designed to cover fully the requirements of Regulation ECB/2001/13. The national requirements go beyond what is required by the ECB.

The main breakdowns are as follows:

- sector according to the ESA 95⁶;
- maturity;
- currency;
- branch according to CZ-NACE (clients' loans and deposits only)⁶;
- type of loans, deposits, securities.

2.6 Measure(s) of money: definitions and remarks

2.6.1 Definition of money and breakdown of monetary aggregates by instrument

Since the beginning of the 1990s, the CNB has been using the monetary aggregates M1 and M2. The aggregate L was added later. All three aggregates are still in use and are defined as follows:

⁶ An additional breakdown used only for national purposes.

Box I

M1 includes:

- Currency in circulation
- Demand deposits in domestic currency

M2 includes:

- M1
- Time deposits⁷ in domestic currency (including certificates of deposit)
- Deposit bills of exchange and similar securities
- Foreign currency deposits

⁷ Term deposits and loans received from clients.

L includes:

- M2
- Short-term securities (T-bills, CNB bills) held by non-banks

Since 2002, the CNB has also been compiling harmonised monetary aggregates in accordance with the ECB methodology, based on the balance sheet compiled in accordance with Regulation ECB/1998/16 (from 2003, in accordance with Regulation ECB/2001/13).

2.6.2 Sectoral allocation of holdings of negotiable instruments

The following negotiable instruments are only issued by monetary financial institutions:

- currency in circulation, i.e. cash in CZK held by the business sector and households, excluding cash held at commercial bank cash counters and at the CNB, is not divided into sectors;
- certificates of deposit, i.e. residents' CZK-denominated deposits in the banking system with agreed maturity repayable to their holders, are divided into the commercial sub-sectors, households and non-residents sectors according to the real or the first holder;
- residents' deposits in securities, i.e. deposit bills of exchange and similar securities, are divided into the commercial sub-sectors, households and non-residents sectors according to the real or the first holder;
- negotiable debt securities issued, i.e. bonds etc., are divided into the main commercial sectors, households and non-residents mostly according to the real holder.

Box 2**Total net foreign assets**

Balance of short-term and long-term assets and liabilities of the banking system vis-à-vis non-residents.

Total net domestic assets

Difference between liquid liabilities and net foreign assets. Net domestic assets consist of:

- Domestic credits, including funds injected into the economy by the banking sector:
 - net credit to the government, i.e. the difference between assets and liabilities of banks vis-à-vis the government sector;
 - net credit to the National Property Fund (NPF), i.e. the difference between assets and liabilities of banks vis-à-vis the NPF;
 - credits to business and households, i.e. CZK credits granted by the banking system to residents, broken down into the business sector and households;
 - credits in foreign currency, i.e. foreign currency credits granted to residents by the banking system, broken down into businesses and households.
- Other net items, i.e. the difference between other liabilities and other assets within the banking system. Other liabilities mainly include equity capital of banks, all items connected with profit creation (such as reserves, reserve funds and current year profits) and items derived from accounting processes. Other assets include, in particular, purchased securities in bank portfolios, bank funds invested in property (such as buildings), losses in the current year and items arising from accounting processes. Other net items are shown as negative items in net domestic assets.

2.7 Counterparts of money

Credits to domestic residents are broken down by type, maturity (up to one year, over one year and up to four years, over four years) and sector (business sector, insurance companies, households).

Since 2002 the CNB has also compiled counterparts to the harmonised monetary aggregates in accordance with the ECB methodology, based on the balance sheet compiled in accordance with Regulation ECB/1998/16 (from 2003, Regulation ECB/2001/13).

2.8 Reserve money

The monetary base (i.e. reserve money) includes currency in circulation and the reserves that commercial banks hold in their accounts with the central bank. Both these items represent the use of the monetary base.

The monetary base expresses the relations of the central bank towards the other sectors of the economy. Therefore, the counterparts of the monetary base represent the external sector, the government sector, the banking sector and the private sector. These factors that influence the level of the monetary base are designated as the sources of the monetary base.

A basic breakdown of the items in the monetary base is as follows:

Assets:

- External sector in total
- Net credit to the Government (excluding securities)
- Credits to the economy
- Net other assets

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- Volume of sterilisation
- Refinancing credits
- Standby facilities
 - Lombard repo (lending facility)
 - O/N deposit (deposit facility)
 - Intraday credit.

Liabilities:

- Currency in circulation
- Reserves of banks
- Required minimum reserves
- Excess reserves, which represent the difference between the prescribed and real volume of the required minimum reserves.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

The powers of the CNB to collect data are set forth in Act No. 6/1993 Coll. (as amended) on the CNB. The Czech National Bank is empowered under this Act to request information from banks and branches of foreign banks. The harmonised Act on the CNB gives the CNB more regulatory powers to request information, also from non-bank institutions, both for the banking and monetary statistics and in order to undertake its other tasks.

The CNB is authorised under the Act to request more detailed information or an explanation if the information submitted by

reporting agents does not comply with the required methodology or conditions, or if well-founded doubts arise concerning the accuracy or completeness of such information. The CNB is also authorised to order banks, branches of foreign banks and other reporting agents to rectify defects and to impose a fine on the agent concerned if it fails to submit the required information or if such information is repeatedly incorrect or incomplete.

The CNB is the sole collecting agent in the Czech Republic, collecting all data from the banking sector to complete the monetary statistics. No other financial institutions have submitted data to the CNB for this purpose yet.

The CNB also collects statistical information from entities other than banks, primarily for b.o.p. statistics. The CNB's powers in this area are based on the Foreign Exchange Act and on the new amendment to the Act on the CNB.

2.9.2 Identification of the reporting population (reporting coverage)

As stated in sections 2.3.1 and 2.3.2, the actual reporting population currently comprises only banks and branches of foreign banks. The CNB plans in the first half of 2003 to start collecting basic necessary information from money market funds on a voluntary basis for testing, and in 2004 to introduce regular collection of data from such funds pursuant to a decree drafted and issued by the CNB. The cutting-off-the-tail principle will be applied to credit unions, and the CNB will carry out a grossing-up procedure using the data on these institutions collected by the CSO.

Table 5*As at end-December 2002*

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all the institutions)
CNB	1	100	23.5
Credit institutions	37	100	76.5
Universal commercial banks	31	100	71.3
Building savings banks (building societies)	6	100	5.2
Other monetary institutions	-	-	-
Total	38	-	100

2.9.3 Reporting schemes

Reporting system for banks

The money-creating sector in the Czech Republic consists of the CNB and 37 commercial banks (including six building savings banks, as well as branches of foreign banks). The reporting population for monetary and banking statistics is confined to these banks (see Table 5).

The Monetary and Statistics Department of the CNB collects statistical data from banks and branches of foreign banks in the following areas:

A. Balance sheet statistics (Stocks):

a) Balance sheet – a complete monthly assets and liabilities statement creating the overall framework for MBS (including supplementary data for the foreign exchange and CZK position of the bank from January 2003). The reporting frequency of this statement is monthly. The data are collected electronically 15 calendar days after the end of the reference period (for the months of January to November), and 31 days after the end of December.

b) Credit and deposit statistics:

These statistics comprise the following statements:

- Monthly statement on clients' loans and receivables from clients;
- Monthly statement on deposits and loans received from clients;
- Monthly statement on interbank loans and deposits.

The reporting frequency and timeliness are the same as for the balance sheet statement. The data are collected electronically.

c) Securities statistics:

- statistics on securities issued by banks are provided in the report entitled "Monthly statement on securities issued by banks";
- statistics on securities held by banks are provided in the report entitled "Monthly statement on securities and participations held by banks".

The data are collected electronically. The reporting frequency and timeliness are the same as for the balance sheet statement.

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d) Territorial breakdown of assets and liabilities:

This comprises the following statement implemented in 2002:

- Quarterly statement on selected assets and liabilities broken down by country.

The data are collected electronically 25 calendar days after the end of the reference period (for the first three quarters) and 31 days after the end of December.

B. Balance sheet statistics (Flows)

These statistics comprise the following statements:

- Monthly statement on write-offs of loans and other receivables (implemented and tested since September 2002, and from the beginning of 2003 collected on a regular basis);
- Monthly statement on price revaluation of securities (implemented and tested from the beginning of 2003);

The reporting frequency of these statements is monthly. The data are collected electronically on the first day of the second month after the end of the reference period (for January to November) and 41 days after the end of December. After the testing is completed, the time limits for submitting these statements for January to November will be shortened to 20 (and later to 15) days after the end of the reference period, while the time limit for submitting the December statement will be reduced to 31 days after the end of December.

C. Interest rate statistics

These statistics comprise the following statements:

- Monthly statement on the stock of loans and deposits broken down by interest rate;

- Monthly statement on new loans broken down by interest rate.

The reporting frequency of these statements is monthly. The data are collected electronically 17 days after the end of the reference period (for the months of January to November) and 31 days (for new loans 17 days) after the end of December.

D. Foreign exchange statistics

The most important foreign exchange statistics statements are:

- Monthly statement on foreign exchange and CZK payments and collections;
- Quarterly statement on foreign exchange and CZK payments and collections in territorial breakdown;
- Quarterly statements on foreign securities held by banks and other residents and on domestic securities held by non-residents.

The data are collected electronically, either monthly or quarterly, 17 or 20 days after the end of the reference period (for January to November, and for some of the statements for December as well) and 31 or 36 days after the end of December.

Note: up to the end of 2002, data for the monthly statement on the foreign exchange and CZK position of all banks were collected. As from the start of 2003, it will be compiled in the CNB from data reported by banks in the other statistical statements for monetary statistics submitted to the CNB.

The statements are prepared in accordance with the Czech Act on Accounting and with the Chart of Accounts and Accounting Rules for Banks and Some Other Financial Institutions set down by the MoF of the Czech Republic.

The statements referred to in A and B above have been restructured or newly introduced so that they provide all the necessary data

for the harmonised balance sheet statistics pursuant to Regulation ECB/1998/16 and, as from the start of 2003, pursuant to Regulation ECB/2001/13. This has enabled the related compilation of harmonised monetary aggregates and counterparts. The CNB has been able to compile Table I of ECB/1998/16 as of January 2002 (from 2003 pursuant to ECB/2001/13); preparatory work on the compilation of the other tables (stocks) of the above regulation is in progress.

The statements on interest rate statistics are compiled in accordance with the national methodology laid down by the CNB. This has not yet been harmonised with Regulation ECB/2001/18.

Reporting system for money market funds

(see Chapter 2.9.2)

2.9.4 Special reporting procedures for the national central bank

The balance sheet of the CNB for MBS covers the same items as the balance sheets for commercial banks, together with other items specific to central banks (currency in circulation, gold reserves, monetary receivables and liabilities, and receivables and liabilities vis-à-vis the IMF). The CNB compiles statements on loans, deposits and securities in the same structures and terms as commercial banks.

Data for the CNB balance sheet and the other statements are taken automatically from the central bank's centralised accounting database.

The statistical statements and accounting records are prepared in accordance with the Act on Accounting, the Chart of Accounts and Accounting Rules for Banks prescribed by the MoF of the Czech Republic, and the ECB and IMF requirements for MBS.

The CNB also compiles balance sheets for various other internal and external purposes.

A summary accounting balance sheet is published at ten-day intervals and annually through press agencies and on the CNB's website.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

All collected data are provided as end-of-period stock data or flow data within the reference period.

2.10.2 Revisions

The data are published at regular intervals (usually monthly) and are valid for all of the subsequent period. The data have to be complete (i.e. include data from all reporting agents) and have to meet all the prescribed standards of acceptability for data reported by banks to the CNB.

Banks are obliged to submit corrected data if any mistakes or errors are detected by the CNB. They are also obliged to send to the CNB revised data for selected statements (including the balance sheet) for the annual accounting audit. Banks may also revise incorrect data at their own discretion.

Most of the data referring to the elapsed period are presented as final data, apart from in the monetary survey, where more precise figures are given for some items two or three months after their first presentation. If banks revise MBS data after such data have been published for the first time, any changes to the data will only appear in time series in subsequent publications. Revisions of published data are usually supplemented by explanatory notes.

2.10.3 Derivation of flow statistics

2002 saw the completion of preparatory work for data collection and the overall concept of

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compilation of the balance-sheet flow statistics derived from the MFI balance-sheet stock statistics in compliance with Regulation ECB/2001/13. Two new monthly statements submitted by banks and branches of foreign banks were introduced (Monthly statement on write-offs of loans and other receivables, Monthly statement on price revaluation of securities – see 2.9.3). These are used to obtain data on revaluation adjustments. Data from these statements are initially being collected in a testing regime; full changeover to the standard reporting regime is envisaged for mid-2003. Collection of flow statistics data from money market funds in compliance with Regulation ECB/2001/13 is not currently under consideration.

The data needed to monitor exchange rate changes in line with ECB methodology are available from the present system of balance-sheet stock statistics (which contains all data relating to loans, deposits and securities broken down by currency). Given their nature, reclassifications and other adjustments will be determined on an ad hoc basis, partly from the current MBS statements and partly from additional information obtained from individual banks and branches of foreign banks.

The first balance-sheet flow statistics should be available in or around mid-2003 (with reference to January 2003), when the testing phase will have been completed and the quality of the data verified.

2.10.4 Seasonal adjustment

The Monetary Department makes seasonal adjustments to reserve money and credit issuance data in the banking statistics. However, these adjusted time series data are not published regularly, except for the increment in the national monetary aggregate M2 and the increments in adjusted credits in inflation reports.

The adjustment procedure covers seasonal factors, which are calculated as average

relative deviations from the series, smoothed by the centred average method. These factors are checked once every two years and, in the event of significant changes, corrections are made.

Seasonal adjustment is applied for analytical purposes. The current method was chosen because of its simplicity. More complex methods – such as X-12-ARIMA and TRAMO-SEATS – have been tested with similar results. The regular official publication of seasonally adjusted data is under preparation.

2.11 Publications

2.11.1 First release of data (including publishing medium)

The CNB publishes data on monetary and banking statistics as follows:

- Analytical accounts of the banking sector – a monetary survey comprising monthly national monetary aggregates M0, M1, M2 and extended M2-L, net domestic credit to general government and to the rest of the economy and the net external position. The sources for this are the balance sheets of banks. The data on national monetary aggregates are final when first released. Data on all other components are provisional when first released and become final after 90 days. The data are first published as a press release – by fax, on hard copy and electronically on the CNB's website at <http://www.cnb.cz>. The time of publication is one month after the end of the reference month, except for December, when the time lag is two months owing to end-of-year closing of accounts. The data form part of the ARAD database (i.e. the time series database), which can be accessed via the CNB website.
- Analytical accounts of the Central Bank – monetary base comprising each month (i) the monetary base (currency in circulation and bank reserves held on central bank

accounts); (ii) net domestic claims on/liabilities to general government; (iii) domestic credit to the rest of the economy; (iv) net external position. The sources for this are the accounting records of the CNB. The data are final when first released and are not revised. The data are first published as a press release available by fax, on hard copy and electronically on the CNB website. The time of publication is 15 days after the end of the reference month.

- Harmonised balance sheet statistic, comprising:
 - the balance sheet of the CNB and the aggregated balance sheet of other MFIs/banks (assets, liabilities),
 - the consolidated balance sheet of the MFI/banking sector (assets, liabilities),
 - monetary aggregates and counterparts.

The structure of the harmonised balance sheet statistics corresponds to the tables published in the ECB Monthly Bulletin. The data are published within the first ten days of the second following month after the end of the reference month. As from January 2003, these data will be available on the CNB website.

2.11.2 Core weekly/monthly publications

- The monthly publication “Banking Statistics” gives an overview of the balance sheet of commercial banks, the month-end stocks of deposits and loans, and interest rates. The data are sourced from the monthly statements submitted by the banks to the CNB, and are published six weeks after the end of the relevant month in electronic form on the CNB website. The data are not corrected retrospectively.
- The ARAD time series database offers the most comprehensive summary of current statistical data from the three thematic areas (the monetary area – banking statistics; state statistics – CSO data; and the b.o.p. statistics). The data are regularly updated (on a monthly basis) and are not definitive. The data are published one month after the end of the relevant month on the CNB website.

2.11.3 Other statistical publications

Part 7 of the “Statistical Yearbook of the Czech Republic”, published by the CSO, contains detailed annual data on MBS. The sources of data are the same as for the MBS in the CNB. The yearbook is an official record of the Czech Republic’s statistics and is also available for a fee on CD-ROM. It is usually published in November of the subsequent year.

3 Contacts at the Czech National Bank

Any queries concerning the issues described in this country chapter should be addressed to:

CZECH NATIONAL BANK, NA PŘÍKOPĚ
28, 11503 PRAHA I

Monetary and statistics department
Money and banking statistics division

Mr Zbynek KARNET,

tel: +420/22441 4446

fax: +420/22441 2147 or +420/22441 2136

e-mail: zbynek.karnet@cnb.cz

Ms Iva Chrtkova

Money and Banking Statistics Department

phone: +420/22441 2121

fax: +420/22441 2136 or +420/22441 2147

e-mail: iva.chrtkova@cnb.cz

Ms Magda Gregorova

Money and Banking Statistics Department

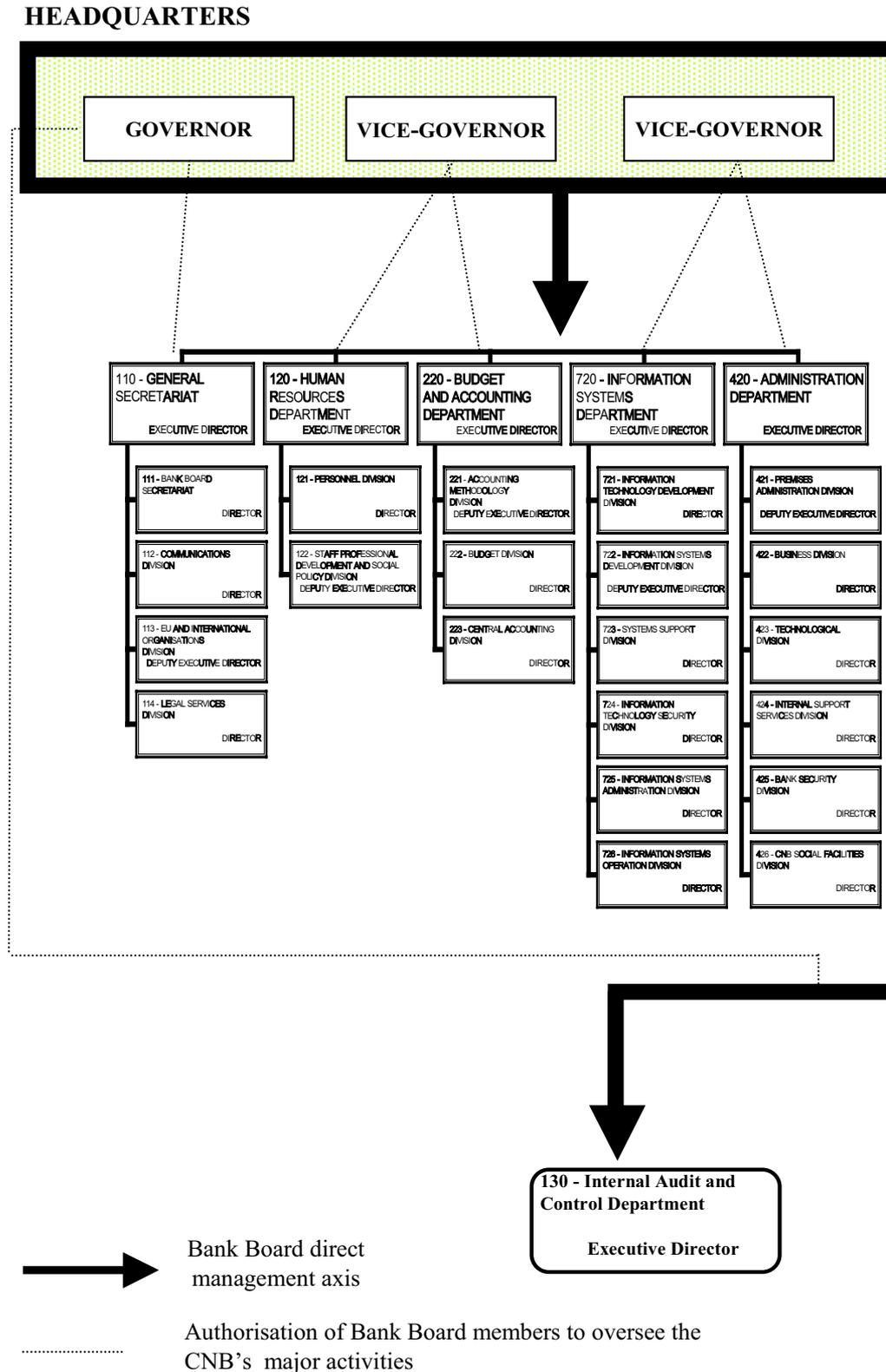
phone: +420/22441 2134

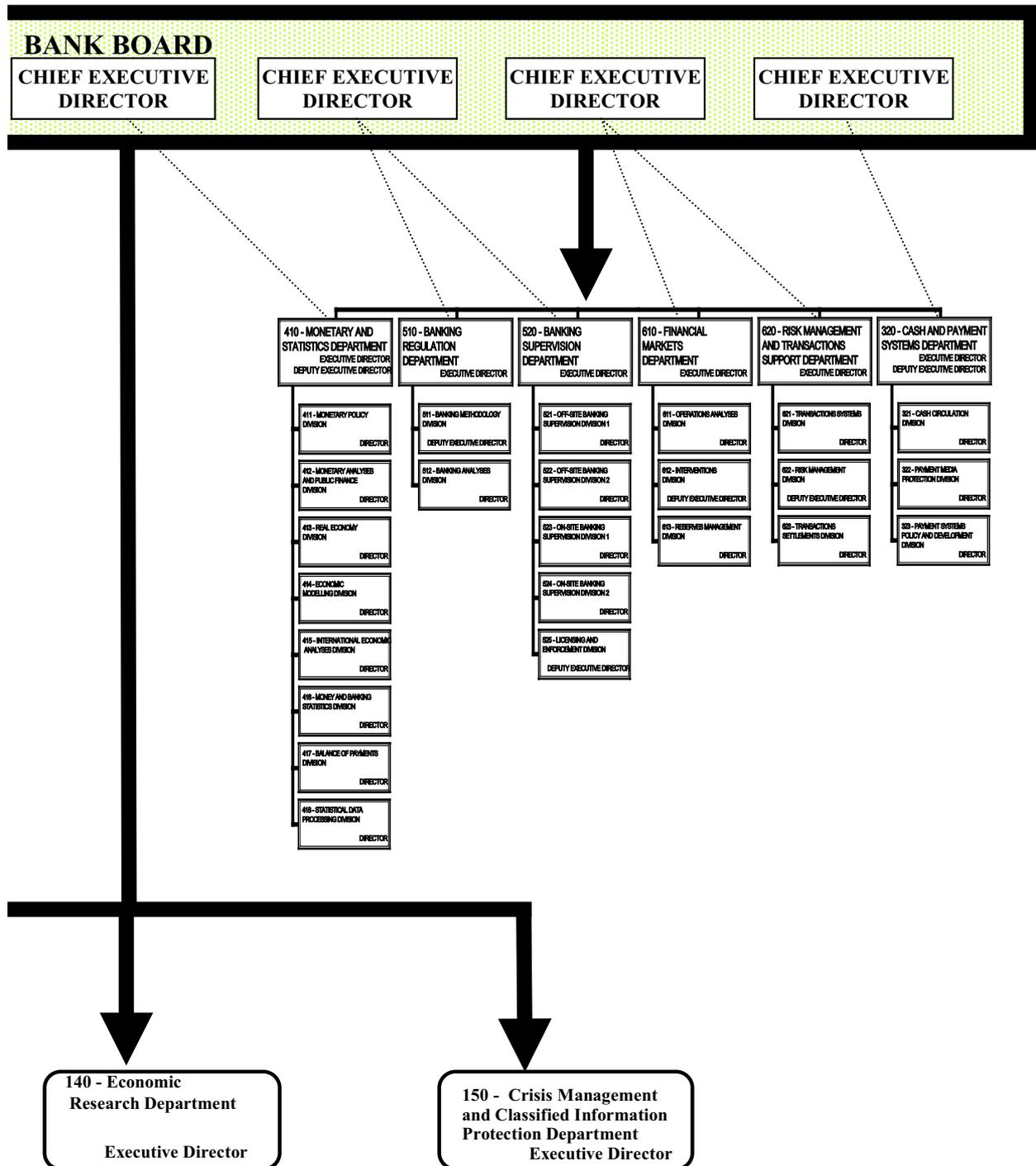
fax: +420/22441 2136 or +420/22441 2147

e-mail: magda.gregorova@cnb.cz

Annex I

Organisation chart of the Czech National Bank

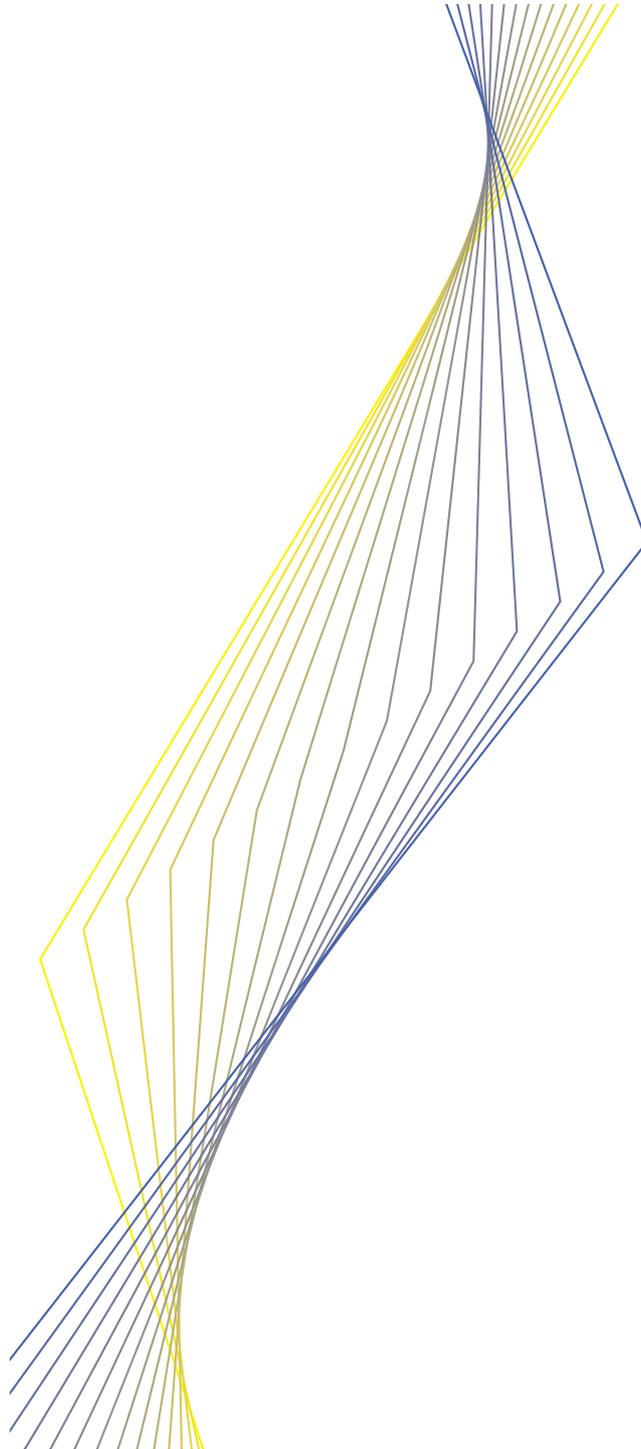




Czech Republic



EUROPEAN CENTRAL BANK



Estonia

List of abbreviations

BIS	Bank for International Settlements
b.o.p.	balance of payments
BSAD	Banking Statistics and Analysis Department
ECDS	Estonian Central Depository for Securities
EEK	Estonian kroon
EMTAK	Classification of the National Economy of Estonia
EUR	euro
FSA	Financial Supervision Authority
FSSD	Financial Sector Statistics Division
GFS	government finance statistics
HICP	Harmonised Index of Consumer Prices
IAS	International Accounting Standards
i.i.p.	international investment position
IMF	International Monetary Fund
MFI	monetary financial institution
MMF	money market fund
NACE	Statistical Classification of Economic Activities in the European Union
SDDS	Special Data Dissemination Standard
SLA	savings and loan association
SOE	Statistical Office of Estonia
TALIBID	Tallinn interbank bid rate
TALIBOR	Tallinn interbank offer rate

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

According to the Law on the Central Bank of the Republic of Estonia, the Board of the Bank of Estonia is the highest organisational body of the Bank of Estonia, consisting of the Chairperson and eight members. The Board is appointed by the Parliament.

The Governor of the Bank of Estonia is appointed by the President of the Republic of Estonia.

The executive management of the Bank of Estonia consists of three Deputy Governors. The Bank of Estonia's departments are divided into three groups, each supervised by one of the Deputy Governors.

See Annex I.

I.1.2 Organisation of the statistical work at the national central bank

Two departments are engaged in statistical work at the Bank of Estonia: the Statistics Department, and the Financial Sector Statistics Division (FSSD), which is a sub-department of the Financial Stability Department. The FSSD is responsible for money and banking statistics.

The Statistics Department is divided into two divisions: the Balance of Payments Statistics Division and the Economic Statistics Division.

I.2 Legal background

The main national laws, regulations and specific provisions that provide the framework for the activities of the Bank of Estonia are:

- the Constitution of the Republic of Estonia, effective from 3 July 1992, Articles 65, 74, 78, 104, 111 and 112 (<http://www.rk.ee/rkogu/eng/epseng.html>);
- the Law on the Central Bank of the Republic of Estonia, effective from 18 June 1993 (http://www.ee/epbe/norm/index_green.html.en);
- the Credit Institutions Act (which provides the legal basis for the establishment, activities and dissolution of credit institutions and the principles and legal basis for the supervision of credit institutions), latest version effective from 1 July 1999 (<http://www.legaltext.ee>);
- the Law of the Republic of Estonia on the Security of the Estonian kroon (EEK), effective from 20 June 1992 (http://www.ee/epbe/norm/index_green.html.en);
- the Currency Law of the Republic of Estonia, effective from 20 June 1992 (http://www.ee/epbe/norm/index_green.html.en);
- the Statutes of the Bank of Estonia, effective from 4 September 1996 (http://www.ee/epbe/norm/index_green.html.en); and
- the Official Statistics Act, effective from 17 July 1997 (<http://www.legaltext.ee/>).
- the Financial Supervision Act, effective from 1 June 2001 (<http://www.legaltext.ee/>)

1.3 Institutional aspects

1.3.1 *The role of the national central bank*

1.3.1.1 *Introduction*

The Bank of Estonia is the central bank of the Republic of Estonia. It is independent from all government agencies and reports only to the Parliament; it is not subordinated to the Government of the Republic of Estonia or to any other executive institution of the State. The Bank of Estonia is entrusted with implementing all the measures at its disposal to increase confidence in the Estonian kroon (EEK) and in the stability and integrity of the Estonian monetary system both at home and abroad.

1.3.1.2 *General responsibilities of the national central bank*

The objectives and tasks of the Bank of Estonia are defined by the Constitution of the Republic of Estonia and the Law on the Central Bank of the Republic of Estonia. The main objective of the Bank of Estonia is to ensure the stability of the EEK and its ability to fulfil all functions as a means of money. In addition, the Bank of Estonia has to contribute to the stability of both the banking sector as well as the whole financial system, to maintain the integrity and efficiency of the banking system, and to promote the development of financial markets. In other areas, the Bank of Estonia goes beyond the scope of these targets to support economic growth and general welfare. One of the primary goals of the Bank of Estonia is to meet the currency needs of the public. Pursuant to the Law on the Central Bank of the Republic of Estonia, the Bank of Estonia is the sole legal issuer of banknotes and coins in Estonia. The EEK is the legal tender of Estonia.

Starting from the beginning of 2002, supervision of credit institutions was separated from the Bank of Estonia and transferred to the newly established Financial

Supervision Authority (FSA) - an agency with autonomous competence and a separate budget.

The Bank of Estonia participates in the economic policy of Estonia by conducting independent monetary and financial policies. It also advises the Government on matters of monetary and financial policy. On the authorisation of the Government, the Bank of Estonia officially represents Estonia in the international monetary, credit and banking organisations of which Estonia is a member. In accordance with its mandate, the Bank of Estonia supports the economic policy of the Government of Estonia to the extent that this policy does not conflict with its duty to maintain the stability of the national currency and its other mandates as set forth in the Law on the Central Bank of the Republic of Estonia. The Bank of Estonia holds all Estonia's gold and precious metal reserves and foreign currency reserves and provides directions for their use. The Bank of Estonia compiles the balance of payments (b.o.p.) for Estonia.

1.3.2 **Macroeconomic statistics: main responsibilities of domestic public authorities**

1.3.2.1 *Main responsibilities of the national central bank in the field of macroeconomic statistics*

- The main responsibilities of the Balance of Payments Statistics Division are to compile the b.o.p. and the international investment position (i.i.p.) of the Republic of Estonia. The Bank of Estonia compiles and publishes monthly and quarterly b.o.p. accounts on the basis of a number of information sources. It makes some value corrections to the Statistical Office of Estonia (SOE) statistics on external trade of goods and undertakes the conversion from cost, insurance and freight at the importer's border (c.i.f.) to free on board at the exporter's border (f.o.b.) for imports. The Bank of Estonia uses the tourism figures

from border surveys and other tourism statistics, and conducts quarterly surveys of the principal Estonian enterprises and other bodies involved in external trade and capital flows. International receipts from the non-bank sector are collected via commercial banks. The Bank of Estonia also makes use of other information, in particular international data. The b.o.p. and the i.i.p. are released in accordance with the IMF's Special Data Dissemination Standard (SDDS).

- The Economic Statistics Division is responsible for gathering, systematising and distributing general economic statistics (excluding banking statistics) about Estonia and other countries for both in-house use and publication, as well as for compiling periodical and occasional statistical overviews of the Estonian economy.
- The Financial Sector Statistics Division's responsibilities arise from the needs of five groups of customers for financial sector data: internal users of the Bank of Estonia who support monetary and financial stability; the Financial Supervisory Authority (FSA), which supervises the banking sector; international organisations (mainly the IMF, Eurostat and the ECB); the general public; and initial data providers. In order to meet the expectations of these customers, the FSSD in co-operation with FSA carries out the following main tasks: determining and establishing requirements for the reporting of financial institutions; elaborating, implementing and improving reporting packages; collecting, processing and analysing the reports; providing regular overviews of and operative data on the processed and analysed reports to the management of the Bank of Estonia; compiling requested data for the IMF, Eurostat and the ECB; preparing banking information for dissemination; and providing the SOE with required data on financial sector and leasing companies.

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

The Statistical Office of Estonia contributes to all official surveys except the b.o.p. and monetary and financial statistics.

According to the Official Statistics Act, Section 2, the main objectives of the SOE are to compile and co-ordinate official statistics. In the field of macroeconomic statistics, the SOE compiles the quarterly and annual national accounts. It is also responsible for compiling the annual financial account. In addition, the SOE provides data on several price indexes, such as the Harmonised Index of Consumer Prices (HICP), the producer price index of industrial output, the export price index, the import price index and the construction price index.

The SOE meets the requirements for the HICP – as per Commission Regulation No. 1749/96/EC of 9 September 1996 on initial implementing measures for Council Regulation (EC) No. 2494/95 concerning harmonised indices of consumer prices – as well as the Eurostat timetable for calculating and publishing the HICP. The SOE and the Ministry of Finance share the task of compiling the government finance statistics (GFS). The Ministry of Finance collects information from the institutional units and compiles government finance statistics according to the IMF's GFS. The Bank of Estonia provides the SOE with the b.o.p. and monetary statistics for macroeconomic calculations.

Data from credit institutions, mutual funds, investment firms, insurance corporations and pension funds and fund managers are collected by the FSA.

1.3.2.3 An overview of statistical data collection and compilation

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>Credit institutions' balance sheet data on the 10th and 20th day of the month and at the end of the month. Timeliness: second banking day after the 10th and the 20th days of the month; fifth banking day after the end of the reporting month.</p> <p>Credit institutions' additional detailed reports on stocks of loans, deposits and securities on a monthly basis. Timeliness: fifth banking day after the end of the reporting month.</p> <p>Balance sheets of the two biggest savings and loan associations (SLAs) on a monthly basis. Timeliness: 10th banking day after the end of the reporting month.</p>	<p>Interest rates and amounts of loans granted and deposits taken during the reporting month and amounts outstanding on a monthly basis. Timeliness: fifth banking day after the end of the reporting month.</p> <p>Tallinn interbank offer rate (TALIBOR)/Tallinn interbank bid rate (TALIBID) with quotation periods of one, three and six months.</p>	<p>Data on issued securities traded on the secondary market are available from the securities register, via the website of the Estonian Central Depository for Securities (ECDS). The register is updated as a new issue is registered.</p> <p>Securities issued by credit institutions are also reflected in credit institutions' balance sheets.</p>
Collecting agents	FSA in co-operation with the Bank of Estonia	FSA in co-operation with the Bank of Estonia	ECDS
Users	<p>Bank of Estonia</p> <p>FSA</p> <p>SOE</p> <p>International organisations (IMF, Eurostat, ECB)</p> <p>General public</p>	<p>Bank of Estonia</p> <p>SOE</p> <p>International organisations (IMF, Eurostat, ECB)</p> <p>General public</p>	<p>Bank of Estonia</p> <p>General public</p>
Description	<p>Credit institutions' data are provided electronically (mainly by e-mail) according to special electronic reporting procedures defined by the FSA and FSSD.</p> <p>Credit institutions' additional reports include breakdowns of main balance sheet items according to residency, customer sector, currency and original maturity.</p> <p>SLAs' data are provided via e-mail.</p>	<p>Data are collected electronically (mainly by e-mail) according to special electronic reporting procedures defined by the FSA and FSSD.</p> <p>Interest rates are calculated as a weighted average of the interest rates reported by each credit institution. The mean is weighted by the amounts of new credit granted or deposits attracted during the reporting period.</p> <p>TALIBOR is calculated using the standard LIBOR logic.</p>	

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	<p>Special reserve report required for credit institutions which is based on balance sheet and off-balance sheet data.</p> <p>Data are collected on a monthly basis.</p>	<p>Statistical surveys for enterprises on an annual basis.</p> <p>Central Business Register.</p> <p>Government agencies including the Ministry of Finance and the FSA.</p> <p>ECDS.</p> <p>Bank of Estonia in the field of banking and b.o.p. data.</p>	<p>Monthly customs statistics on exports and imports broken down by country as well as by type of goods.</p> <p>Surveys of about 2,500 enterprises on a quarterly basis.</p> <p>Non-bank foreign payments orders from credit institutions twice a month.</p> <p>Sample surveys and data modelling are used as well as individual areas of the b.o.p.</p> <p>The b.o.p is compiled on both a monthly and a quarterly basis. Timeliness for monthly b.o.p is 6 weeks after the end of the reference month, and 10 weeks after the end of the reference quarter for quarterly b.o.p.</p>	<p>For prudential purposes, the FSA receives, on an individual as well as on a consolidated basis, a very wide range of data from credit institutions (detailed balance sheet data including non-performing loans, profit and loss accounts, data on off-balance sheet transactions, prudential ratios including capital adequacy, liquidity, large exposures, credit institutions' investments, etc.).</p> <p>Data on an individual basis are provided by credit institutions, generally on a monthly basis with a time lag of five to seven banking days. Consolidated data are provided on a quarterly basis, two months after the end of the reporting period.</p> <p>Different kind of data from insurance companies, mutual funds, investment firms and fund managers are also collected by the FSA.</p>
Collecting agents	Bank of Estonia	<p>SOE</p> <p>SOE, in co-operation with the Bank of Estonia in the field of banking sector and leasing companies' data.</p>	Bank of Estonia	<p>Bank of Estonia</p> <p>FSA</p>
Users	Bank of Estonia	International organisations (IMF, Eurostat, ECB etc.)	<p>Bank of Estonia</p> <p>General public</p>	<p>Bank of Estonia</p> <p>FSA</p>

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Description	<p>Data are submitted electronically.</p> <p>The reserve requirement currently amounts to 13% of the reserve base, i.e. banks' deposits, debt securities issued by banks, net liabilities to foreign credit institutions and financial guarantees to financial institutions and non-resident credit institutions.</p>	<p>The compilation of Estonian financial accounts is in the early stages of development. Although financial accounts are currently a priority for the SOE, special procedures and systems for compilation have not yet been introduced. Financial accounts compiled until now have been provisional, although they are published regularly.</p>	<p>No balancing/cross-checking techniques are used. The customs data for merchandise trade are adjusted by the Balance of Payments Statistics Division: an adjustment is made for unidentified imports, and goods purchased abroad for transportation vehicles and repair works on capital goods abroad are also added (information is obtained from the enterprise survey).</p> <p>Data on foreign assistance are only available on an annual basis. For the quarterly b.o.p. the assessment method is used. After the end of the reporting year, the quarterly data on foreign assistance are adjusted so that the sum thereof is equal to the known annual totals.</p> <p>There is insufficient information available about the foreign accounts of private individuals, so the Bank for International Settlements' (BIS) statistics are used to estimate transactions.</p> <p>Information about the income and expenditure of foreign embassies, etc. in Estonia is based on assessments.</p> <p>Data on trade credit originate mainly from enterprise surveys, although the assessment method is also used.</p> <p>The threshold for foreign payments is EEK 100,000 (Estonia has a fixed exchange rate of EUR 1 = EEK 15.64664).</p> <p>The b.o.p. and i.i.p. are compiled on an accrual basis using market prices.</p>	<p>Credit institutions' data are submitted electronically to the FSA. The FSA then makes the data available to the Bank of Estonia via the databases.</p> <p>Insurance companies' data are provided on hard copy as well as via e-mail.</p> <p>Security market data are provided on hard copy.</p>

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

Article 90 (5) of the Credit Institutions Act states that credit institutions are required to prepare reports and submit them to the FSA pursuant to the procedures established by the Bank of Estonia.

According to Article 91 of the Credit Institutions Act, the Bank of Estonia has the power to set out the list of reports to be submitted, and the regularity of submission and methods of preparation thereof.

The full text of the main Bank of Estonia Decrees concerning the reporting of credit institutions can be found on the Bank of Estonia's website, at http://www.ee/epbe/norm/index_green.html.en.

2.1.2 Statistical standards

Balance sheets of the central bank and of the commercial banks are prepared on the basis of their books, which are mainly kept in accordance with the International Accounting Standards.

Banking and monetary statistics are compiled in accordance with the ESA 95, the IMF's Manual on Monetary and Financial Statistics, the IMF's SDDS and European Central Bank recommendations with respect to banking statistics.

In order to publish data in compliance with the internationally recognised classifications, credit institutions in Estonia are required to use the Classification of the National Economy of Estonia (EMTAK) based on the Statistical Classification of Economic Activities in the European Community (NACE); the codes for the representation of names of countries and their subdivisions (ISO 3166) and codes for the representation

of currencies and funds (ISO 4217) when preparing statistical reports.

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

The boundaries of the economic territory of Estonia coincide with the geographic boundaries of the Republic of Estonia.

For the purpose of compiling money and banking statistics, the definition of residence is the same as the one used for b.o.p. statistics, and follows the IMF's definition (Balance of Payments Manual, 5th edition). When defining the domestic territory for money and banking statistics, branches (and subsidiaries) of Estonian banks abroad are regarded as non-residents, whereas branches of foreign banks located in Estonia are regarded as resident banks.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

See Table 3.

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

The Credit Institutions Act concerning the status and supervision of credit institutions defines the legal provisions governing banking activity. It incorporates into Estonian legislation

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the EC Directive of 15 December 1989 on the co-ordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions (89/646/EEC) and the EC Directive of 6 April 1992 on the supervision of credit institutions on a consolidated basis (92/30/EEC).

The term “credit institutions” covers all Estonian credit institutions as well as their branches and subsidiaries abroad and foreign credit institutions which have branches or subsidiaries in Estonia. A credit institution is a private legal entity, the main activity of which is receiving deposits or other repayable

Table 2

Sector classification	Sectors		Definitions
Money-creating sector	Bank of Estonia		Central bank
	Credit institutions		Legal entities in their own right according to the Law on Credit Institutions, Article 3.
	Savings and loan associations		Financial institutions whose principal and permanent activity is to conduct transactions and operations, such as receiving deposits and granting loans as well as various other banking activities, in order to serve their members only, i.e. natural persons who reside or own immovable property within the territory of the SLA, and the legal persons located within the same territory.
Money-holding sector	Financial corporations	Financial corporations, except insurance companies and pension funds	Legal entities in their own right which are engaged in supplying financial services with the aim of making profit according to the Law on Credit Institutions, Article 4, with the exception of insurance companies and pension funds. This covers various loan and savings undertakings, investment funds, the stock exchange, brokers' offices, etc.
		Insurance companies and pension funds	Insurance companies are institutions whose main classes of insurance are non-life insurance, life insurance and reinsurance (i.e. activities as an insurance agent or insurance broker). Pension funds are voluntary and compulsory mutual funds, the principal objective of which is to provide unit-holders of the pension funds with a funded pension under the conditions and pursuant to the procedures provided for in the Funded Pensions Act.
	Other resident non-financial sector	Commercial undertakings of State and local government	Legal entities in their own right which are engaged in supplying or selling non-financial services and goods with the aim of making profit and which come under the control of central or local government. This type of control over legal persons can be achieved through direct involvement (where 100% of shares or the major judgement right belong to the State or local government) or indirectly (through legislation that grants the State or local government the right to establish the active policy of the commercial undertakings or appoint its management). State and municipal undertakings which have not yet been transformed also belong to this category.
		Other commercial undertakings	The remaining legal entities in their own right that are engaged in supplying or selling non-financial services and goods with the aim of making profit (corporations, partnerships, profit associations) and which are not covered by the above institutional sectors. Entrepreneurs as natural persons employing one or more employees also belong to this category.
		Individuals	Natural persons and entrepreneurs as natural persons, not functioning as employers with employees. If it is not possible to establish the non-existence of hired labour, the entrepreneurs as natural persons will be declared under other commercial associations.
		Non-profit associations	Voluntary unions of persons and legal entities in their own right which may supply goods and services free of charge or for payment, but may not be making a profit through economic activities as their main occupation. Various member-based organisations in the form of unions, movements, associations, foundations, clubs and societies belong in this category.

Table 2 (continued)

Sector classification	Sectors		Definitions
Money-holding sector	General government	Central government	Entities responsible for the government of the State and its defence, the administration of central government, as well as institutions of science, research, health, welfare, education, culture and sport, financed by the government budget. This category also covers the embassies and consulates of foreign countries.
		Local government	Entities of local government and science, research, health, welfare, educational, cultural and sport institutions financed out of local government budgets.
		Social security funds (from January 2001)	The public health and unemployment insurance system.
		Non-budgetary funds	Various non-budgetary foundations and funds established by central and local government.
Non-resident sector	Rest of the world ¹⁾ (non-residents)		Comprises persons who do not reside permanently in Estonia or own limited residence permits for at least one year; persons who have left Estonia for a foreign country and have stayed there for at least one year; legal entities which have been registered and are residing in a foreign country (including participation in Estonian undertakings, among them Estonian affiliated undertakings in foreign countries); foreign diplomatic, consular and other official representatives granted immunity and diplomatic privileges; and representatives of foreign institutions in Estonia not engaged in financial and commercial activities.

1) The non-resident sector is broken down in the same manner as the resident sector.

funds from the public and granting credit on their own name and account, or any other form of financing activity. A universal banking principle has been adopted in Estonia, which means that all banks are entitled to conduct all banking activities allowed by the Credit Institutions Act. This law applies to all credit institutions.

The money-creating sector consists of the Bank of Estonia, credit institutions and savings and loan associations. The Bank of Estonia is the only issuer of banknotes and coins. Monetary statistics relate to the assets and liabilities held by the credit institutions operating in Estonia (including the branches and subsidiaries of non-resident credit institutions). Branches and subsidiaries of Estonian credit institutions operating abroad are not included. None of the credit institutions has a European passport or a general or specific licence.

2.3.2 Definition of other monetary institutions

There are two categories of other monetary institutions in Estonia: savings and loan associations (SLAs) and money market funds (MMFs).

SLAs are co-operative-type financial institutions whose activities are regulated by the SLA Act (effective from 1 July 1999, <http://www.legaltext.ee/>). SLAs can only receive deposits from their members, not from the public. They may also only grant loans to members, and their activities are restricted to a certain territory. Although there are currently 11 SLAs, only two of them voluntarily submit balance sheet data on a monthly basis. These two are included in the calculation of Estonian monetary aggregates.

The legal definition of a money market fund has not been implemented into the legislation of Estonia. For statistical purposes, i.e. when compiling the list of

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Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification		
Money-creating sector	Bank of Estonia		S121 Central bank	S12 Financial corporations	Money-creating sector		
	Credit institutions		S122 Other monetary financial institutions				
	Savings and loan associations						
Money-holding sector	Financial corporations	Financial corporations, except insurance companies and pension funds	S123 Other financial intermediaries, except insurance corporations and pension funds	S11 Non-financial corporations	Money-holding sector		
			S124 Financial auxiliaries				
		Insurance companies and pension funds	S125 Insurance corporations and pension funds				
	Other resident non-financial corporations	Commercial undertakings of the State and local government	S14 Households				
		Other commercial undertakings					
		Individuals					
		Non-profit associations				S15 Non-profit institutions serving households	
	General government	Central government	S1311 Central government			S13 General government	
		Non-budgetary funds	S1312 State government				
		n.a.	S1313 Local government				
Local government		S1314 Social security funds					
Social security funds							
Non-resident sector	Rest of the world ²⁾ (non-residents)		S211 EU countries	S2 Rest of the world	Non-resident sector		
			S21 The EU				
			S212 Institutions of the EU				
		S22 Third countries and international organisations					

2) The non-resident sector is broken down in the same manner as the resident sector. Data on the rest of the world can be broken down country-by-country.

monetary financial institutions (MFIs), the Bank of Estonia analyses all the mutual funds in order to select the ones that correspond to the ECB's definition of a money market fund. Data on MMFs are not yet included in the calculation of monetary aggregates.

2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

Table 4

As at end-December 2002

Institutions	Number of institutions
National central bank	1
Credit institutions	7
Credit institutions	7
Other monetary financial institutions	18
Savings and loan associations	11
Money market funds	6
Total	25

2.4 Banking business: general deposits/other products

The main items on the liabilities side of universal banks are deposits. A distinction is

made between demand deposits, time deposits, saving deposits and other types of deposits.

Owing to their transferable nature, demand deposits are collected from customers offering a rather low interest rate. The computation base of the interest rate may also vary between credit institutions, i.e. the minimum or the average outstanding amount over a predetermined period.

Time deposits cannot be converted into currency before an agreed term without incurring a penalty. Savings deposits also have an agreed maturity, but in this case it is possible to add money to the deposit account. There are several kinds of deposits on the market offering features which are typical of both transaction and savings accounts.

Credit institutions offer their customers a wide range of lending services: mortgage loans, consumer credits, current account advances and credit lines. Loans can have fixed or floating interest rates.

Demand deposits	<ul style="list-style-type: none"> – are intended for settlement with a third party – are unlimited by time – are transferable and can be freely used and disposed of (in exceptional cases, 24 hours' notice may be required) – offer the possibility of a negative credit balance, i.e. an overdraft – permit additional payments to be made at any time
Time deposits	<ul style="list-style-type: none"> – are intended for the deposit of money – are not intended for settlements with a third party – are subject to terms fixed by a contract – have the rate for the deposited amount fixed by a contract, which cannot be changed – must abide by the terms of the contract, or sanctions in the form of fines will be imposed
Savings deposits	<ul style="list-style-type: none"> – are intended for the collection and deposit of money – are not intended for settlement with a third party – allow the deposit date to be related to some special occasion (e.g. wedding day), by which time a fixed amount of money will have been deposited in the account – require the deposit of a minimum amount of money which is established by the credit institution – allow the deposited amount to be increased – must abide by the terms of contract, or sanctions in the form of fines will be imposed – may require advance notice in the case of withdrawals

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

The following applies mainly to credit institutions. The description of the main balance sheet items also applies to SLAs.

Liabilities (main items):

- amounts owed to the central bank;
- amounts owed to credit institutions;
- amounts owed to customers;
- government lending funds and counterpart funds (resources allocated by the Government to credit institutions for transaction loans, and resources in Estonian kroon received from the sale of goods sent to Estonia within the framework of various foreign aid programmes);
- debt securities issued;
- subordinated liabilities and other liabilities (items in transit, the negative position of future transactions, call premiums, etc.); and
- capital and reserves.

Assets (main items):

- cash;
- claims on the central bank;
- claims on credit institutions;
- claims on customers;
- allowance for uncollectable claims;
- securities;
- intangible assets;
- tangible assets;

- other assets (payments in transit, tangible and intangible assets for sale, precious metals, dividend receivables, etc.); and
- accrued income and prepaid expenses.

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

Most of the breakdowns of credit institutions' balance sheet items are derived from additional statements.

In most of the financial statements submitted by credit institutions, the breakdown of assets and liabilities by term is based on the original maturity. The short term covers operations with a term of up to one year. In the case of loans, the maturity is established on the basis of the term of the loan as stated in the loan agreement (which also states whether the loan is issued in parts). In the case of securities, the maturity is established according to the redemption date of the security. Where securities are bought with the obligation to resell, the maturity is shown according to the period for which the security is held. In the case of securities held in a trading portfolio, the maturity is "on demand".

For the purpose of prudential control, credit institutions also supply a monthly outline of their operations by the main items under assets and liabilities, broken down according to their residual term.

All the information flows include details of the domicile of counterparties, separating the data for residents from those for non-residents. Non-residents are broken down country-by-country, and all the necessary details of operations with European Union countries or with third countries are provided. Since January 2001, the definition of monetary financial institutions (MFIs) has been fully implemented and the list of MFIs (including credit institutions, money market

Instrument	Maturity	Counterpart
Resources: – Overnight deposits – Time deposits – Savings deposits – Repo agreements – Other deposits – Received loans – Money market instruments – Other debt securities issued – Resources of lending funds and counterpart funds Loans – Transaction loans with interest rate restriction – Other loans with interest rate restriction – Overdrafts – Subordinated claims – Other loans – Repo agreements – Other claims Securities – Money market instruments – Other fixed income securities – Shares in associated undertakings – Shares in affiliated undertakings – Other shares – Shares – Privatisation vouchers	– Without maturity – On demand – One to five banking days – Five to ten banking days – Ten banking days to one month – One to two months – Two to three months – Up to three months – Three to six months – Six to 12 months – One to two years – Two to three years – Three to five years – Five to ten years – Over ten years	– Central government – Local government – State social security fund – Other non-budgetary funds – Insurance company and pension funds – Other financial institutions – Of which MFI – Credit institutions – Commercial undertaking of the State and local government – Other commercial undertakings – Non-profit associations – Individuals
Residency	Currency	
Country-by-country breakdown available according to ISO 3166.	Currency-by-currency breakdown available according to ISO 4217.	

funds and SLAs) has been defined, with a breakdown for MFIs introduced into the reporting system. Monthly details on deposits, loans, non-performing loans/loan loss provisions and securities are available for each currency. Balance sheet statistics on a monthly basis (and also every ten days) provide information on two groups: domestic and foreign currency. Foreign currency operations are converted into EEK at the exchange rate of the reference date of the returns. Further details (breakdown by currency) are available in additional monthly financial reports.

In their monthly financial statements of loans (both turnover and stock), non-performing loans/loan provisions and securities, credit institutions supply a breakdown by industry sector according to the Classification of the National Economy of Estonia (EMTAK), based on the Statistical Classification of Economic Activities in the European Union (NACE)

rev.1, A17. Data are crosschecked against balance sheet totals.

The available breakdowns correspond to the breakdowns determined in Regulation ECB/2001/13 concerning the consolidated balance sheet of the monetary financial institutions sector.

2.6 Measure(s) of money: definitions and remarks

2.6.1 Definition of money and instrument breakdown of monetary aggregates

Estonia operates a currency board-based system, and the Bank of Estonia does not use targets in the form of monetary aggregates to implement monetary policy. Nevertheless, it calculates and publishes information on three monetary aggregates: M0, M1 and M2. Measures of money take into account the

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relevant liabilities of all credit institutions operating in Estonia and licensed by the Bank of Estonia, irrespective of whether they are Estonian-owned or subsidiaries/branches of foreign banks.

Banknotes and coins held by foreigners are considered to be held by residents and are included in the monetary base.

Box 1

Measure M0 includes:

- currency in circulation (EEK banknotes and coins), including those held in the tills of credit institutions;
- residents' demand deposits at the Bank of Estonia
- EEK accounts of non-residents at the Bank of Estonia.

Measure M1 includes:

- currency in circulation (excluding the cash held in credit institutions and in the tills of two SLAs); and
- residents' EEK- and foreign currency-denominated demand deposits, excluding central government; central government counterpart funds and MFIs, at banks and two SLAs (including government and non-residents' deposits).

Measure M2 includes:

- M1;
- EEK- and foreign currency-denominated time, savings and other deposits, excluding deposits of central government, central government counterpart funds and MFIs in credit institutions, Bank of Estonia and SLAs.

2.6.2 Sectoral allocation of holdings of negotiable instruments

The only freely transferable negotiable instrument in the monetary base is cash.

2.7 Counterparts of money

For more details on the classification of credit to domestic residents see Box 2.

Box 2

Net external assets

Net external assets comprise the banking sector's¹ claims on non-residents net of foreign liabilities, i.e. liabilities of the banking sector held by non-residents.

Domestic credit

Domestic credit consists of the financial claims of the banking sector on residents. Intra-sectoral claims and liabilities among banking sector institutions are excluded here. Domestic claims are divided into five sub-sectors: central government, local government, financial institutions other than banks, non-financial public enterprises and the private non-financial sector. Central government, which includes budgetary institutions and governmental non-budgetary funds, is treated on a net basis. Three main types of financial claims are included under domestic credit: loans, debt securities and shares held for trade.

Other items net

Other items net comprise the net sum of all non-financial assets and unclassified liabilities which do not come under the heading of broad money. All intra-sectoral claims and liabilities within the banking sector are also netted here.

³ The banking sector consists of the Bank of Estonia, all credit institutions as defined in the Credit Institutions Act, and two SLAs.

2.8 Reserve money

The monetary base (M0) comprises: currency in circulation (EEK banknotes and coins, including those held by credit institutions); residents' demand deposits at the Bank of Estonia and the EEK accounts of non-residents at the Bank of Estonia.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

The Credit Institutions Act states that, in order to perform duties arising from the Bank of Estonia Act (1994), the Bank of Estonia has the right to demand that credit institutions submit reports on a regular basis. However, in order to minimise the burden on reporting agents, the data from credit institutions as well as from mutual funds, investment firms, insurance and pension funds and fund managers are actually collected by the FSA and afterwards shared with the Bank of Estonia using a common database. The FSA's legal power to obtain data from credit institutions is determined by the Credit Institutions Act and Bank of Estonia Decrees (the full texts of the main Bank of Estonia Decrees concerning the reporting of credit institutions can be found on the Bank of Estonia's website, at http://www.ee/epbe/norm/index_green.html.en). According to the Financial Supervision Authority Act (Article 48 (2)) and Law on the Central Bank of Estonia (Article 2 (5)), the FSA is required to provide the Bank of Estonia with information

necessary for the performance of its functions.

2.9.2 Identification of the reporting population (reporting coverage)

2.9.3 Reporting schemes

A wide variety of different data is collected from the credit institutions on a monthly basis, including a full balance sheet and additional detailed reports on loans, deposits, securities and non-performing loans (for further details, see Section 2.1.1). Data must be sent by the fifth banking day after the end of the reporting month. The data are collected electronically from the credit institutions.

Two reporting SLAs provide balance sheet data on a monthly basis by the tenth banking day of the following month. The data are sent on hard copy.

2.9.4 Special reporting procedures for the national central bank

The Central Accounting Department prepares the balance sheet data of the Bank of Estonia each month. The aggregated balance sheet data of the Bank of Estonia are available to the public on a monthly basis on the fifth day of the following month. Data are gathered using a database. The Central Accounting Department prepares the balance sheet data of the Bank of Estonia each month. The published balance sheet of the Bank of

By sector	By type	By maturity
<ul style="list-style-type: none"> – Central government – Local government – Social security funds – Non-budgetary funds – Insurance corporations and pension funds – Other financial corporations – Credit institutions – Commercial undertakings of state and local government – Other commercial undertakings – Non-profit associations – Individuals 	<ul style="list-style-type: none"> – Loans – Debt securities 	See table in Section 2.5.2.

Table 5*As at end-December 2002*

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all institutions)
Bank of Estonia	1	100	17.1
Credit institutions	7	100	78.9
Credit institutions	7	100	78.9
Other monetary institutions	2	15.4	4.1
Savings and loan associations	2	18	0.1
Money market funds	0	0	4
Total	10	-	100

Estonia has been structured so that the domestic and foreign assets and liabilities can be separated. In addition, the balance sheet structure demonstrates how the Estonian kroon is backed by gold and convertible foreign currency assets. In general, the Bank of Estonia's accounting procedures are in line with the principles described in the Accounting Act of Estonia (effective from 1 January 1995, latest version effective from 1 January 2003), although minor deviations arising from central bank-specific activities may appear. Starting from 31 December 2005, the Bank of Estonia will use accounting principles and a presentation of information format in accordance with the ECB's accounting guidelines. If there are cases which are not regulated by these guidelines, good accounting practice or the IAS will be followed (Accounting Act Article 17 (1)). The balance sheet is prepared in accordance with the historical cost basis of accounting, modified to include the revaluation of certain assets and liabilities. Hence, all assets and liabilities are recorded at fair values.

The Accounting Act of Estonia is applied to the Bank of Estonia's accounting procedures. The Accounting Act generally takes into account the IAS.

Foreign currency assets and liabilities are translated into EEK at the official Bank of Estonia exchange rate valid on the balance sheet date. Gold reserves are valued at the market rate at the end of each month.

Foreign Treasury bills and other quoted securities denominated in convertible currencies are recorded at their market value. Securities purchased under repurchase agreements are recorded as issued loans that are guaranteed with securities. Securities purchased under reverse repurchase agreements are recorded as received loans guaranteed with securities.

Investments in shares are accounted for at their purchase price, less provisions for any diminution in value other than temporary.

Derivative instruments comprise foreign currency futures and swaps and are recorded off-balance sheet at their realisation cost. Loans and other assets are reassessed periodically and specific provisions are established against those considered to be bad or doubtful owing to the borrowers' insolvency. Loan and other asset provisions are recorded as expenses in the reporting period and are included in the balance sheet as a deduction against the assets concerned. Loans and other assets remain in the balance sheet until they have been repaid or written off. They are written off only after all legal measures to recover them have been taken.

Fixed assets with an acquisition cost of over 5,000 kroons are recorded at cost, less depreciation which is calculated on a straight-line basis over the estimated useful lifetime of the assets according to predetermined rates.

All known liabilities and provisions are reflected in the balance sheet, if their volume can be estimated with reliability and they are likely to be realised. Potential liabilities, sureties and guarantees are accounted for as off-balance sheet items.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

The stock figures are end-of-period figures.

2.10.2 Revisions

The data are preliminary when first released and are subject to revision during the following month. The final data are published the following month with the next issue of monetary statistics.

The Bank of Estonia gathers data for monthly flows on deposits and loans. The data gathered are "credit flow" data, i.e. do not yet comprise any adjustments made for breaks in series. The compilation of data on adjustments will be implemented during 2003. Any changes in the reporting population are always stated when the data are released.

During 2003 a new data collection system for flow statistics will be implemented. Data on non-financial transactions (on reclassifications, other adjustments, exchange rate changes and price revaluation changes) will be collected directly from reporting agents. All the breakdowns needed to compile ECB flow statistics should be available.

2.10.4 Seasonal adjustment

Not applicable.

2.11 Publications

2.11.1 First release of data (including medium)

The Bank of Estonia publishes a wide range of data on its website (<http://www.ee/epbe/>) each month. The exact schedule of the release of different indicators relating to the Estonian commercial banking sector is as follows:

2.11.2 Core weekly/monthly publications

The core monthly publication is the printed summary of the Estonian monetary statistics in the "Selected Statistics" bulletin (available

Data	Release date (banking day from beginning of month)
Balance sheets	11
Loans granted to customers	17
Securities	16
Deposit stocks and deposits attracted during a one month period	18
Claims on credit institutions and liabilities to credit institutions	18
Interest rates	17
Profit/loss	18
Prudential ratios of credit institutions	13
Open foreign exchange position	12
Off-balance sheet items	18
Foreign currency purchased/sold in credit institutions during a one month period	14
Money supply	19
Banknotes and coins in circulation	12
Payment intermediation	18
Electronic payments settled through the Bank of Estonia's Clearing Department	6
Banking sector in short ⁴	18

4) Consists of a short overview of consolidated balance sheets of banks, selected indicators and ratios.

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in Estonian and English). It contains the same information as found on the Bank of Estonia website, but in a more concise format. The bulletin is only available on paper. The date of release is the eighth calendar day following the end of the reference month.

In October 1998 Estonia completed the adoption of the SDDS. Estonian meta-pages describing the nature of the data, the quality and methodology of its compilation and access by the public have been available on the IMF's electronic Bulletin since January 1999 (<http://dsbb.imf.org>). The page containing country data can be found via the SOE's website at <http://www.stat.ee> or by using the direct link from the IMF's website.

2.11.3 Other statistical publications

Statistical data are also included and used in the following publications of the Bank of Estonia:

- The Annual Report of the Bank of Estonia, published in Estonian approximately five months after the end of the year and in English approximately six months after the end of the year.
- The Monetary Developments and Policy Survey (quarterly, published in Estonian and English), available on hard copy and on the Bank of Estonia's website.

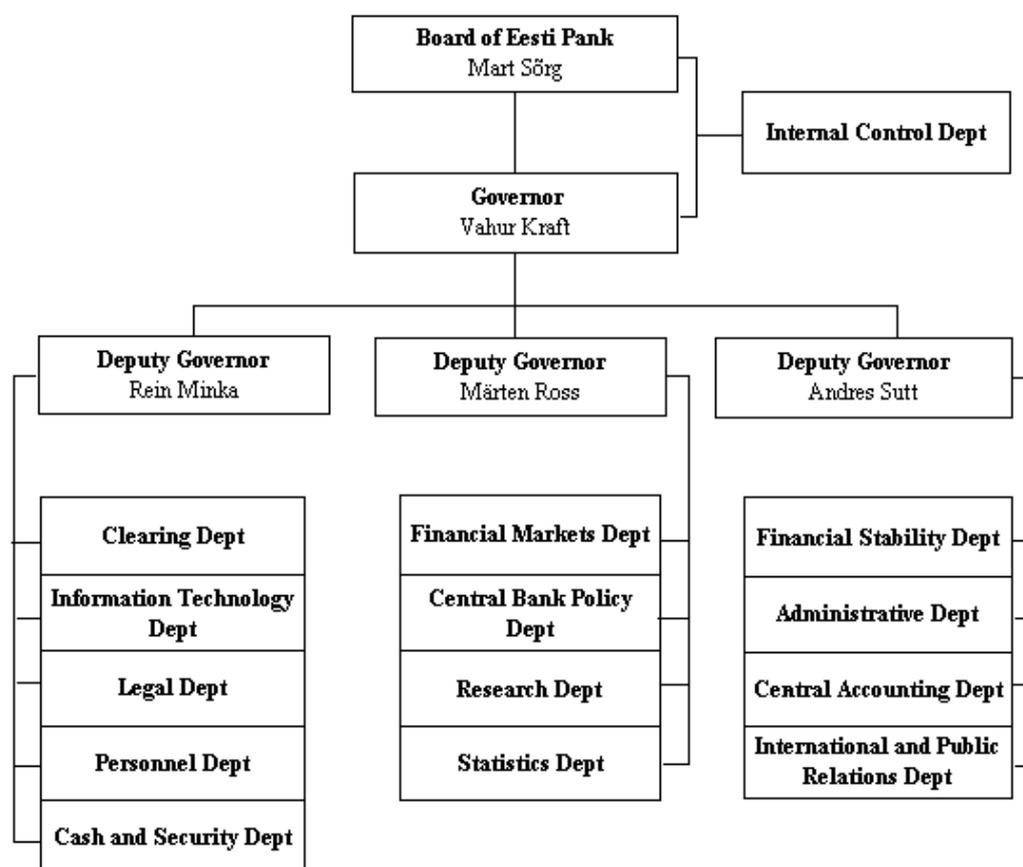
3 Contacts at the Bank of Estonia

Any queries concerning the issues described in this country chapter should be addressed to:

Financial Stability Department, Financial
Sector Statistics Division
Bank of Estonia
Estonia pst 13, 15095
Tallinn, Estonia
Phone: (+372) 6 680642;
Fax: (+372) 6 680943
E-mail: liinas@epbe.ee

Annex I

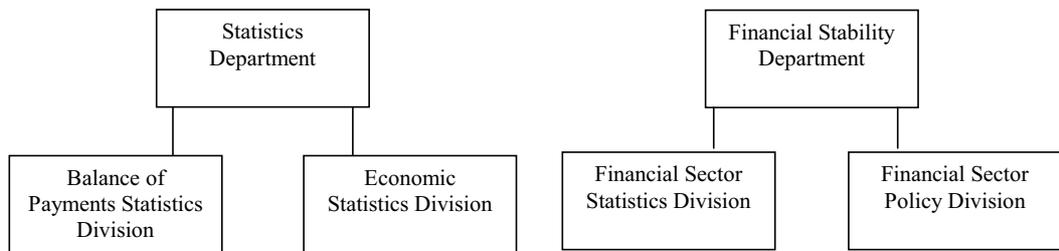
Organisation chart of the Bank of Estonia



Estonia

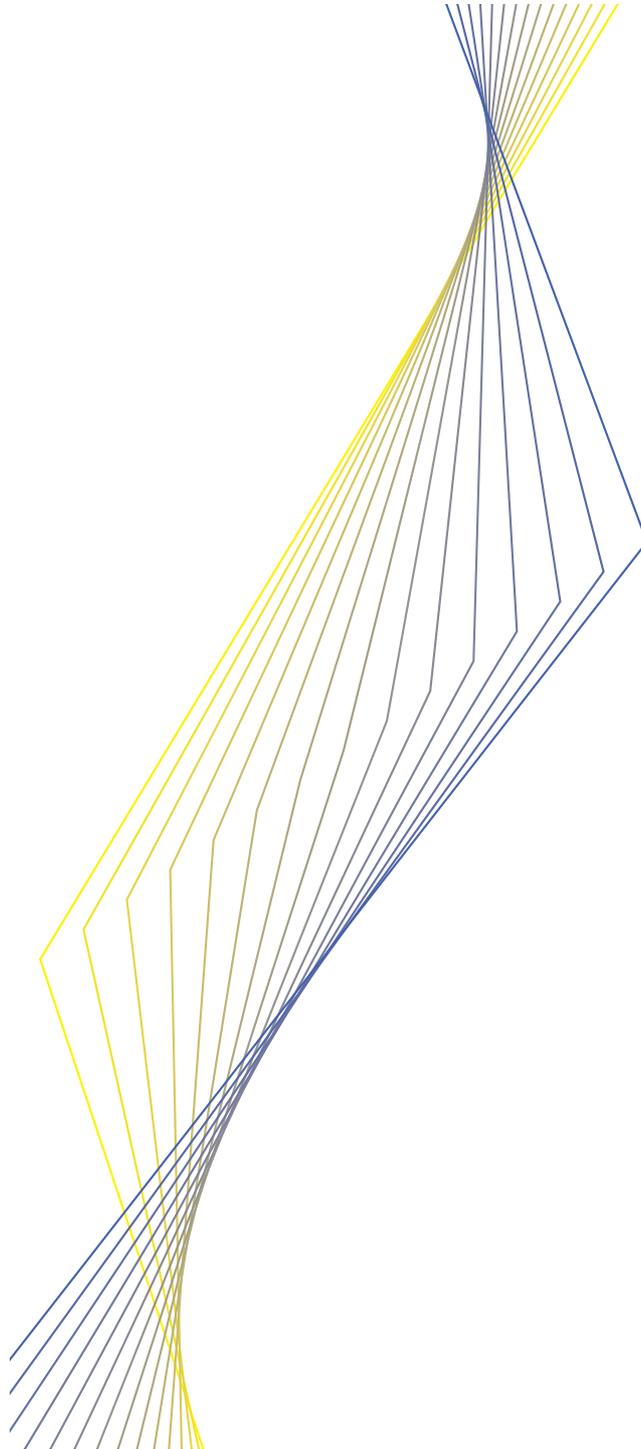
Annex 2

Organisation chart of the Statistics Department and Financial Stability Department of the Bank of Estonia





EUROPEAN CENTRAL BANK



Hungary

Hungary

List of abbreviations

ACI	Act CXII of 1996 on Credit Institutions and Financial Enterprises
ÁKK Rt	Government Debt Management Agency
AMNB	Act LVIII of 2001 on the National Bank of Hungary
ÁPV Rt	State Privatisation and Holding Company
AST	Act of 1993 on Statistics
CPI	Consumer Price Index
CSO	Central Statistical Office
ECB	European Central Bank
EMU	Economic and Monetary Union
ESA 95	European System of Accounts 1995
EU	European Union
FDI	Foreign Direct Investment
HFSA	Hungarian Financial Supervisory Authority
HUF	Hungarian forint
MÁK Rt	Hungarian State Treasury
NA Rt	National Motorways Ltd.
NBH	National Bank of Hungary
NSS	National Statistical Service
OSAP	National Statistical Data Collection Programme
SDDS	Special Data Dissemination Standard
SNA 1993	System of Nation Accounts 1993

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the National Bank of Hungary (NBH)

See Annex 1.

I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

Act LVIII of 2001 on the National Bank of Hungary (AMNB) defines the collection and publication of statistical information as one of the NBH's core duties. The NBH operates a central bank information system to which financial institutions and legal entities that do not qualify as financial institutions but provide auxiliary financial services, plus investment services providers as well as clearing houses are obliged to contribute information as specified by the NBH. The NBH publishes all important information relevant to the operation of Hungarian credit institutions and the country's financial position. The NBH provides international institutions, including the statistical office of the European Union (Eurostat) and the European Central Bank (ECB), with data on a regular basis.

The Statistics Department's task is to perform the Bank's statistical service activity and, in the framework of this activity, to develop, operate, maintain and upgrade the Bank's statistical information system. The Department has four divisions: balance of payments, monetary statistics, financial accounts, and data processing divisions. The data processing division produces and hands over basic data complemented with audit reports to the monetary statistics division. The monetary statistics division checks the content of the data; plans new data collections; checks, organises and analyses

factual aspects of monetary data; develops and maintains the methodology; and prepares and publishes monetary statistical data and regular press releases. It also provides data for monetary policy decision-making, for analyses and the preparation of forecasts; and participates in data-providing activities for internal and external purposes. The data processing division receives and processes data supplied by data providers, ensures completeness and reliability of basic data, and maintains the regulations for data providers. It also recommends to the Supervision Department the areas to be checked in off-site examinations, evaluates the findings recorded in the minutes of examinations, defines the actions to be taken, and prepares the year by year evaluation of data providers. The data processing division operates and maintains the information system that ensures the compilation of statistical data. Furthermore, it regularly prepares statistical tables, charts and time series required by the other divisions of the statistical department.

I.2 Legal background

The AMNB, which defines the framework of the Bank's operations, can be found on the NBH's website (www.mnb.hu) under "About the Bank". The AMNB also defines the range of institutions providing financial services that the NBH may oblige to report data. In order to be able to perform its tasks, it is necessary for the NBH to collect data from a wider range of institutions than the above. Data of this type are collected within the framework of the National Statistical Data Collection Programme (OSAP), on the legal basis of Act XLVI 1993 on Statistics.

Government Decree No. 221 of 2000 provides for the specific features of the NBH obligations related to bookkeeping and the preparation of its annual accounts.

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1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The NBH is the central bank of the Republic of Hungary. In performing its tasks defined by law, the NBH as a whole, as well as members of its decision-making bodies, is independent and may not seek or accept instructions from the Government or any other body. The NBH is headed by a President, who is appointed for a term of six years by the President of the Republic of Hungary on the recommendation of the Prime Minister. The Bank's President has the obligation to report to Parliament. The NBH's primary objective is to deliver and maintain price stability. Without prejudice to its primary objective, the NBH supports the Government's economic policy using the monetary policy instruments at its disposal. The NBH is a legal entity operating as a company limited by shares. The shares of the NBH are owned by the State of Hungary. The State, as the Bank's shareholder, is represented by the Minister of Finance. In respect of its core duties, the supreme decision-making body of the NBH is the Monetary Council.

1.3.1.2 General responsibilities of the central bank

In Hungary, the Constitution defines the core duties of the central bank at the highest level. This states that the tasks of the NBH are to issue legal tender, to protect the value of the national currency and to regulate payment turnover. The Constitution delegates the detailed definition of tasks to the competence of a separate law (AMNB LVIII of 2001), which details the basic duties of the NBH as follows:

- to define and implement monetary policy in the interests of maintaining the stability of the national currency;
- to issue banknotes and coins, which is the exclusive right of the NBH. These

constitute the legal tender of the Republic of Hungary;

- to set up and manage official reserves in foreign exchange and gold;
- to conduct foreign exchange operations in relation to the management of foreign exchange reserves and the implementation of exchange rate policy;
- to develop and regulate domestic payment and settlement systems, and support the efficient and sound operation of these systems;
- to collect the necessary statistical information in order to undertake its tasks and to publish this information;
- to promote the stability of the financial system and the development and smooth conduct of policies related to the prudential supervision of the financial system.

Without prejudice to the achievement of its primary objective and performance of its basic tasks, the NBH may perform other activities, based on statutory authorisation.

The NBH manages the current account of the Hungarian Treasury as well as other government accounts as specified by the Minister of Finance. The NBH may not extend loans to the State, to local government, to other government institutions, or to economic organisations operating under the dominant influence of the State or local government. Furthermore, the NBH may not purchase securities issued by such institutions directly from the issuer. The NBH manages the current accounts of credit institutions, unless it authorises another credit institution to do so, as well as the current accounts of the National Deposit Insurance Fund and the Investor Protection Fund. Those bodies that the NBH maintains current accounts for may place deposits with the NBH.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The NBH collects and processes data related to monetary statistics, balance of payments statistics and financial accounts. Based on these, statistical press releases are issued with a monthly frequency on the Bank's balance sheet, the consolidated balance sheet of monetary institutions and the monetary aggregates, the balance of payments and developments in households' financial savings as well as on borrowing and lending rates to non-financial corporations, the household sector and on interbank forint lending rates. In addition to these, a quarterly statistical press release is issued on the distribution of securities holdings, supplemented, as of 2003, by one on financial accounts. The dates of release are fixed in a calendar of releases six months in advance on the Bank's website. The press releases and all the public time series of monetary and balance of payments statistics, household savings and securities holdings, CPI and core inflation as well as exchange rate data have been published on the Bank's official website since the summer of 2000. In May 2002, the Bank ceased to publish a Monthly Report; however, all the statistical tables of the Report are maintained and made accessible as downloadable files on the Bank's website.

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

In Hungary, all official statistical data are prepared by the National Statistical Service (NSS), of which the NBH is also a member. In the National Statistical Service it is the Central Statistical Office (CSO)'s task to coordinate statistical activities. Therefore, in addition to international institutions, the NBH closely co-operates with a number of national institutions, of which the CSO, the Ministry of Finance and the Hungarian Financial Supervisory Authority are the most important. In addition to collecting data from credit institutions, as specified by the AMNB, the Bank additionally has the right to specify compulsory data reporting within the National Statistical Data Collection Programme (OSAP). The legal basis of OSAP is laid down in the Act on Statistics XLVI of 1993 and in Government Decree 170 of 1993 regarding the execution of this act.

The NBH co-operates with the CSO in compiling financial accounts within the framework of national accounts. The NBH and the Hungarian Financial Supervisory Authority (HFSA) share data from financial institutions, investment services providers and clearing houses. The contents of the regular data collections are harmonised in advance. Since the beginning of 1998, a common credit institution balance sheet report has been used by the two institutions.

1.3.2.3 Overview of statistical data collection and compilation methods

See Table I.

Table I only includes statistics compiled by the NBH.

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Table I

Statistical areas	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Securities statistics
Collected data	<p>Data cover the accounts of the NBH and credit institutions (commercial banks, savings co-operatives and specialised financial institutions).</p> <p>The data collected are end-of-month data. The balance sheet of money market funds contains end-of-year data only.</p> <p>Reporting deadline:</p> <ul style="list-style-type: none"> • The NBH's balance sheet (preliminary): 5th day after the end of the reference; • The NBH's balance sheet (final): 25th day after the end of the reference month (from 2003, 11th working day after the reference month); • statutory balance sheet of credit institutions: 13th working day after the end of the reference month, (from 2003, 11th working day after the reference month); • (statistical balance sheet of money market funds: from 2003, 13th working day after the end of the year) 	<p>Central bank interest rates (base rate, overnight collateralised loan, interest rates on overnight deposits and two-week deposits, interest rate on credits financing the state budget, interest rate on preferential refinancing credits, interest rate on the current account of the Treasury, interest rate on mandatory reserves of financial institutions and the ceiling of the central bank penalty rate);</p> <ul style="list-style-type: none"> • auction yields on Treasury bills and government bonds; • interbank money market interest rates; • market interest rates on non-financial corporations' deposits and credits; and • interest rates on household deposits and credits. <p>Periodicity is daily for central bank interest rates, interbank money market interest rates, and the benchmark yields on government securities; monthly for the other interest rates.</p> <p>Reporting deadline:</p> <ul style="list-style-type: none"> • day after the reference day for money market rates • 9th day after the reference month (from 2003 the 10th working day) for data on non-financial corporations • 10th day after reference months for household data. 	<p>Data on securities deposited with investment service providers and those deposited with the NBH.</p> <p>Reporting deadline:</p> <ul style="list-style-type: none"> • data must be reported quarterly, until the 10th working day of the month following the reference quarter.
Collecting agents	NBH, HFSA	NBH	NBH
Users	NBH, HFSA, CSO, ECB, IMF, OECD, Eurostat, BIS, the general public	NBH, IMF, OECD, Eurostat, ECB, BIS, the general public	NBH, the general public
Description	<p>The source of central bank data is the balance sheet statement prepared by the NBH's Department of Management Accounting and Financial Reporting.</p> <p>Credit institutions submit the statutory balance sheet reports to both the NBH and the HFSA.</p>	<p>Borrowing and deposit rates of non-financial enterprises and households: the average of annual interest rates, indicated in contracts concluded in the reference month, weighted by total contract value; and the weighted average of current interest rates in the case of end-of-month stocks.</p> <p>Interest rate statistics on interbank money market interest rates include data on interbank money market transactions in forint, conducted under market conditions between domestic banks and specialised credit institutions on the reference day.</p> <p>Auction yields are calculated as the arithmetic average of yields, weighted by the amount of bids accepted.</p> <p>The calculation of benchmark yields is regulated by the ÁKK in its procedural rules. The benchmark yields of government securities are calculated for the Hungarian securities market on each business day for each reference maturity. The reference maturities within one year are 3, 6 and 12 months and 3, 5, 10 and 15 years over one year.</p>	<p>Statistics on securities holdings collected by the NBH do not cover all data, including serially-issued securities only.</p>

Table I (continued)

Statistical areas	Required reserves	Financial accounts	Balance of payments	Prudential supervision
Collected data	Data are collected for each day: some of these are collected day-by-day, and others at a monthly frequency. The base period lasts from the first day to the last day of a month. The reserve base is calculated as the average of daily data. Reporting deadline: • 2 nd working day after the reference period for both daily and monthly reported data.	Financial accounts statistics basically use data derived from monetary statistics, balance of payments statistics, government finance statistics and household finance statistics. Financial accounts are compiled quarterly (as from 2003).	The primary compilation source of balance of payments statistics is the monthly report by the banking system (credit institutions, NBH). Reporting deadline: • 8 th working day after the reference month. In addition, a separate report is provided on a monthly basis by exchange offices and by enterprises directly borrowing/extending loans from/to non-residents or holding accounts at non-resident banks. Reporting deadline: • 20 th calendar day after the reference month. As a supplementary source, reports received by the NBH from resident direct investors, FDI companies in Hungary and securities traders, the Central Clearing House and Depository Ltd. (KELER), as well as the Hungarian State Treasury (MÁK) are also used for compilation purposes.	See credit institutions' balance sheet statistics.
Collecting agents	NBH	NBH	NBH, CSO	
Users	NBH (for the purpose of calculating required reserves and conducting monetary policy)	NBH, CSO	NBH, ECB, IMF, OECD, Eurostat, BIS, World Bank, UN, the general public	
Description	Daily and monthly reports of credit institutions and a special data report on other reserve items provide a basis for checking compliance with reserve requirements.	The NBH co-operates with the CSO and the Ministry of Finance in the compilation of financial accounts. As from Q1 2003, financial accounts will be published with quarterly frequency and a three-month delay.	Balance of payments statistics are compiled consistent with the recommendations of the IMF's Balance of Payments Manual (BPM5). As from 2003, goods trade will be recorded on an accrual basis; the source of data on goods trade will be customs statistics instead of those based on bank transactions.	

2 Monetary Statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

Credit institutions and other corporations that provide auxiliary financial services (but qualify as credit institutions), as well as investment service providers and clearing houses, are obliged by the AMNB to supply information required by the NBH. The Bank's data requirements for monetary statistics are specified in the "Guidelines for preparing the information to be provided by banks and specialised credit institutions to NBH,

Volume I" as well as the analogous guidelines for co-operative credit institutions. These documents are available on the Bank's website (in Hungarian only).

2.1.2 Statistical standards

One of the important preconditions for Hungarian accession to the European Union is the adoption of the statistical methods recommended by the EU and the ECB and the fulfilment of the existing data and information reporting obligations. The sector classification introduced in 2001 conforms to

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those recommended by the ECB and the ESA 95. From 2003, monetary statistics will satisfy the criteria of the ECB related to monetary statistics. In addition, the NBH endeavours to implement in its own principles the methodological principles of international institutions (such as the ESA 95, SNA 1993 and the IMF's Monetary and Financial Statistics Manual).

2.2 Concepts and definitions

2.2.1 *Statistical definitions: economic territory and residency principles*

Statistically, all natural persons, legal entities and unincorporated businesses that have direct economic interest (permanent residence, domicile, production etc.) within the local economy of Hungary are classified

as Hungarian residents. Hungary's economic territory does not include the enclaves of other states or international organisations located within the territory of the country, even if geographically they are located within its administrative borders (for example, government, diplomatic and military representations, and government-level commercial and cultural representations of other states). All economic units that do not satisfy the criteria of resident status are classified in the rest of the world sector. The definition of residency is consistent with the recommendations of the IMF Balance of Payments Manual (fifth edition) and of the SNA 1993. Branches of foreign banks in Hungary are regarded as residents, while branches of domestic banks abroad are classified as non-residents.

See Table 2.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

Table 2

Sector classification	Sectors	Definitions
Money-creating sector	Central bank	NBH
	Other monetary financial institutions	This sub-sector consists of banks, specialised credit institutions and co-operative credit institutions (and, from 2003, money market funds), excluding the central bank.
Money-holding sector	Non-financial corporations	The non-financial corporations sector includes corporations whose primary business is to produce goods and non-financial services for the market. The following corporations are included in the sector according to the form of enterprise, excluding financial service providers: <ul style="list-style-type: none"> – incorporated enterprises (societies, joint ventures, limited liability companies, joint stock companies), excluding ÁPV Rt, MÁK Rt, ÁKK Rt, NA Rt (see Central government) – co-operatives (excluding co-operative credit institutions) – other incorporated enterprises – unincorporated enterprises (general partnership companies, limited partnership companies, condominiums, etc.) – non-profit institutions serving, and financed by, non-financial corporations
	Other financial intermediaries	This sub-sector encompasses financial intermediaries that do not accept deposits, but whose primary business is to raise large amounts of other funds for the purpose of acquiring assets on the money and capital markets. Included in this sub-sector are the majority of financial enterprises, excluding investment funds and money market funds, investment pools, venture capital firms and, within investment enterprises, pools that invest in securities, and dealers in securities.
	Financial auxiliaries	This sub-sector consists of institutions whose primary business is to provide auxiliary financial services which are closely related to some kind of financial intermediation. However, the institutional units comprising this sub-sector do not collect significant amounts of funds; instead, they bring together lenders and borrowers in a way that does not materially affect their balance sheets. Also included in this sub-sector are financial institutions whose primary business is to guarantee the safety of financial intermediation. The sub-sector includes securities brokers as well as public exchanges, clearing houses, deposit insurance funds, financial insurance corporations and other auxiliaries. Non-profit institutions whose activities are closely related to the financial sector are also included.
	Insurance corporations and pension funds	This sub-sector includes insurance companies, insurance associations, private pension funds, voluntary pension funds, health funds and mutual savings banks.
	Local government	Local government includes local government at the county and settlement levels and their institutions as well as local government of ethnic minorities and their institutions. Also included in this sub-sector are non-profit institutions that are financed and controlled primarily by local government.
	Households	The household sector comprises natural persons and sole proprietors. Sole proprietors include those with certificates of licence and other sole traders (small-scale agricultural producers, craftsmen, private traders, etc.).
	Social security funds	This sub-sector is comprised of the Pension Insurance Fund, the Health Insurance Fund and their institutions.
	Non-profit institutions serving households	Non-profit institutions serving households include non-profit institutions that raise funds from households, or those that are not controlled by the State or business. Such institutions may include trade unions, trade associations, political parties, churches, clerical institutions, societies and a significant number of foundations.
Money-neutral sector	Central government	Central government comprises the central government and its institutions, extra-budgetary funds, the Government Debt Management Agency (ÁKK Rt), the Hungarian State Treasury (MÁK Rt), the State Privatisation and Holding Company (ÁPV Rt) and the National Motorways Ltd. (NA Rt). Also included in this sub-sector are non-profit institutions that are financed and controlled primarily by the central government.
Non-resident sector	Non-residents	The non-resident sector is further broken down into EU Member States of Economic and Monetary Union (EMU) and other non-residents.

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2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

Table 3

National sector classification	National sectors			Sectors in ESA 95			ECB sector classification
Money-creating sector	NBH (S121)			S121 Central bank		S12 Financial corporations	Money-creating sector
	Other monetary financial institutions (S122)			S122 Other monetary financial institutions			
Money-holding sector	Other financial intermediaries (S123)	Other financial corporations (S123+S124+ S125)		S123 Other financial intermediaries, excluding insurers and pension funds		S13 General government	Money-holding sector
	Financial auxiliaries (S124)			S124 Financial auxiliaries			
	Insurance corporations and pension funds (S125)			S125 Insurance corporations and pension funds			
	Non-financial corporations (S11)			S11 Non-financial corporations			
	Households (S14)			S14 Households			
	Non-profit institutions serving households (S15)			S15 Non-profit institutions serving households			
Money-neutral sector	Central government (S1311)			S1311 Central government		S13 General government	Money-neutral sector
Money-holding sector	(not applicable)			S1312 State/regional government			Money-holding sector
	Local government (S1313)			S1313 Local government			
	Social security funds (S1314)			S1314 Social security funds			
Non-resident sector	S211 EU Countries	S21 European Union	S2 Non-residents	S211 EU Countries	S21 European Union	S2 Non-residents	Non-resident sector
	S212 Institutions of the EU			S212 Institutions of the EU			
	S22 Third countries and international organisations			S22 Third countries and international organisations			

In 2001, the Statistics Department of the NBH introduced a new classification of institutional sectors which is consistent with the ESA 95 and conforms with the sector classification used by the ECB. This sector classification is identical to that currently applied by the CSO. Until the end of 2002, there is no subdivision of the non-residents sector (S2).

Residents

- non-financial corporations;
- central bank;
- other monetary financial institutions;¹

- other financial intermediaries;
- financial auxiliaries;
- insurance corporations and pension funds;
- central government;
- local government;
- social security funds;
- households;
- non-profit institutions serving households.

Non-residents

¹ As from early 2003, the other monetary financial institutions sub-sector also includes money market funds, in addition to credit institutions.

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

The provisions of Act CXII of 1996 on Credit Institutions and Financial Enterprises (ACI) apply to activities related to the provision of financial services, auxiliary financial services and bank representation as well as deposit insurance in the territory of the Republic of Hungary.

According to the ACI, only credit institutions are allowed to:

- collect deposits and to accept other repayable monetary instruments from the public in excess of their equity capital without a bank or state guarantee;
- provide financial transaction services, unless otherwise provided by the law;
- issue payment instruments substituting cash and provide related services; and
- perform currency exchange activities.

Credit institutions may be banks, specialised credit institutions or co-operative credit institutions (savings or credit co-operatives).

Only banks are licensed to perform the full range of financial services listed in the ACI. Specialised credit institutions are permitted to perform activities pursuant to separate legal regulations, with the limitation that they may not provide all financial services listed in the ACI. Co-operative credit institutions may not perform the following service activities: safe custody for investment pools, credit reference services, or asset management for voluntary mutual insurance funds. In addition, they are not allowed to perform the following auxiliary financial service activities: participation in executing settlement transactions or money processing activities. Credit co-operatives may only pursue activities as defined by the ACI, except for currency exchange, and for their members' sole benefit.

Table 4

As at end-December 2002

Monetary institutions*	Number of institutions
Central bank	1
Credit institutions	227
Banks	30
Specialised credit institutions	8
Co-operative credit institutions	189
Savings co-operatives	183
Credit co-operatives	6
Total	228

* As from 2003, the sub-sector will additionally include 16 money market funds.

2.3.2 Definition of other monetary institutions

In Hungary, MMFs have been identified and included in the provisional List of MFIs since June 2002, but have been included in the other monetary financial institutions sub-sector since the beginning of 2003. The national definition of money market funds is identical to the definition by the ECB.

2.3.3 Central government units with deposit liabilities included in national measures of money

Currently, there is no such category.

2.4 Banking business: general deposits/other products

In Hungary, banks generally provide all kinds of financial services to their clients. These encompass all activities enlisted in Article 3 of the ACI: collecting deposits; extending credit and money loans; providing financial leasing and financial transaction services; issuing payment instruments substituting cash; undertaking surety and guarantees; pursuing commercial activities with foreign currencies, foreign exchange, bills of exchange and cheques on a proprietary or commissions basis; intermediating financial services (agency activities); and providing safe custody services

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for investment pools, depository business, safe deposit services, credit reference services, asset management services for voluntary mutual insurance funds, cash transfers, asset management, and investment services for private pension funds.

Banks are also involved in extending credit and accepting deposits, for example: various types of credit, such as overdrafts, fixed and variable rate loans, investment loans, current account deposits of various types, savings accounts, time deposits, savings notes and certificates of deposit.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

The statistical balance sheet of the NBH presents domestic and foreign assets based on the gross accounting method. These include the following:

Assets:

- other claims on residents (presented separately in terms of other monetary financial institutions and central government);
- claims on non-residents.

Liabilities:

- shareholders' equity;
- liabilities to residents;
- liabilities to non-residents.

The monetary base (M0) is published as a supplement to balance sheet data.

Consolidated balance sheet of other monetary financial institutions:

Assets:

- claims on non-financial corporations;
- claims on the MNB;
- claims on other monetary financial institutions;
- claims on other financial corporations;
- claims on general government;
 - claims on central government;
 - claims on local government;
 - claims on social security funds;
- claims on households;
- claims on non-profit institutions serving households;
- claims on non-residents, and
- remaining assets (accrued interest, own assets, repurchased shares, other assets).

Liabilities:

- liabilities to non-financial corporations;
- liabilities to the NBH;
- liabilities to other monetary financial institutions;
- liabilities to other financial corporations;
- liabilities to general government;
 - liabilities to central government;
 - liabilities to local government;
 - liabilities to social security funds;
- liabilities to households;
- liabilities to non-profit institutions serving households;
- liabilities to non-residents; and
- remaining liabilities and capital elements (forint bonds, subordinated liabilities, specific provisions, equity, accrued interest, other liabilities).

2.5.2 Breakdown of the main balance sheet items by maturity, counterparty and currency

Breakdown by instruments:

Assets:

- cash;
- credits;
- bonds (including all debt securities, such as government securities);
- shares and other equities;
 - portfolio investments;
 - financial investments;
- repurchase agreements;
- derivatives.

Liabilities:

- credits and deposits;
- repurchase agreements;
- bonds;
- subordinated liabilities;
- derivatives.

Breakdown by maturity:

- sight;
- maturities up to one year;
- maturities over one year.

Breakdown by denomination:

- forint;
- foreign currency.

2.6 National measure(s) of money: definitions and remarks**2.6.1 National definition of money and instrument breakdown of monetary aggregates****Box I****Until end-December 2002****Monetary aggregate M1 includes:**

- banknotes and coins outside banks
- sight deposits and current accounts in HUF

Monetary aggregate M2 includes:

- M1
- sight deposits and current accounts in foreign exchange
- time deposits

Monetary aggregate M3 includes:

- M2
- repurchase agreements
- debt securities issued by other monetary financial institutions

Monetary aggregate M4 includes:

- M3
- government paper held by residents other than monetary institutions
- NBH bills held by residents other than monetary institutions

From January 2003**Monetary aggregate M1 includes:**

- banknotes and coins outside monetary institutions
- sight deposits and current accounts

Monetary aggregate M2 includes:

- M1
- deposits for a maximum term of 3 months, at prior notice of withdrawal
- time deposits (with maximum terms of 2 years)

Monetary aggregate M3 includes:

- M2
- repurchase agreements
- debt securities issued by monetary institutions (for maximum terms of 2 years)
- investment units issued by money market funds

Monetary aggregate M4 includes:

- Currency outside monetary financial institutions
- total deposits and debt securities issued by monetary financial institutions
- non-monetary government securities outstanding

Hungary

2.6.2 Sector allocation of holdings of negotiable instruments

An accurate sector breakdown of transferable instruments such as banknotes and coins, certificates of deposit and marketable securities is not available.

2.7 Counterparts of money

The consolidated balance sheet of monetary institutions is constructed by consolidating the NBH's statistical balance sheet with the other monetary financial institutions' aggregate balance sheet. The assets side comprises claims on residents, claims on non-residents and net other assets.

2.8 Reserve money

Components of the monetary base (M0) are end-of-month stocks of total notes and coins in circulation and the monthly average of deposits maintained by monetary institutions in their central bank accounts. As from 2003, M0 will consist of the monthly average of

both total notes and coins in circulation and of other monetary financial institutions' current accounts and overnight deposits held at the central bank.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

The AMNB empowers the NBH to collect information from monetary financial institutions for statistical and other purposes. The legal basis for statistical data collection from other institutions (e.g. other financial institutions, non-financial corporations) is the Act of 1993 on Statistics (AST). According to the AST, members of the NSS, to which the NBH also belongs, are authorised to collect information for statistical purposes from any institution or person. It constitutes grounds for sanction when an on-site or off-site inspection by the central bank finds that an organisation specified in Act CXII of 1996 on Credit Institutions and Financial Enterprises, Act CXX of 2001 on Capital Markets and OSAP under Act XLVI of 1993 on Statistics,

Box 2

Claims on residents

This entry comprises net credit by monetary institutions to central government and social security funds and gross credit to other resident sectors, as well as other non-credit claims on these sectors. In addition to credits, this category also contains government securities in the case of the central government sector, and debt securities, shares and other equities, as well as instruments regarded as credits in a broader sense (such as claims associated with financial leasing and bill of exchange discounting) in the case of other resident sectors.

Claims on non-residents, net

This category states the position of monetary institutions vis-à-vis non-residents in terms of net claims (assets less liabilities), in a breakdown by bonds, shares and other equities, including portfolio investment and foreign direct investment, as well as inter-company loans, derivatives and other instruments. The FDI within net claims on non-residents does not include the stakes held by non-residents in other monetary financial institutions.

Other assets, net

This category contains all (netted) assets and liabilities of monetary institutions which are not recorded in the balance sheet as separate lines. This entry ensures that the balance sheet is in balance.

has breached its reporting duty under Act LVIII 2001 on the National Bank of Hungary and the legal regulation on OSAP.

2.9.2 Identification of the reporting population (reporting coverage)

As from 2003, money market funds will also be required to send in similar balance sheets for 1 January and the year-end to those requested from banks.

2.9.3 Reporting schemes

Data submitted to the NBH by banks include banks' balance sheets and profit and loss accounts, detailed information on lending and deposit transactions, etc. Banks submit data electronically to the NBH via a network developed to facilitate interbank payments. The NBH receives some of the data from co-operative credit institutions and non-financial corporations via fax, floppy disk and e-mail.

The applicable accounting rules are laid down in Act C of 2000 on Accounting and Government Decree 250/2000 (XII 24) on the duty of credit institutions and financial

enterprises to prepare annual financial statements and bookkeeping.

Reporting frequency²:

- Daily:
 - Reporting on the gross book value of certain claims on and liabilities to residents.*
- Monthly:
 - Statutory balance sheet and profit and loss account;
 - Other information;
 - Notes and coins* (from 2003: **).
- Quarterly:
 - Certain balance sheet items in further detail (and from 2003 in country breakdown*).
- Annual:
 - Audited balance sheet data of credit institutions.

2 Data reported exclusively by banks and specialised credit institutions are marked with an asterisk (*). Data reported from 2003 not by all, but in total 41 savings co-operatives with balance sheet totals in excess of HUF 5 billion are marked with a double asterisk (**).

Table 5

As at end-December 2002

	Reporting institutions		Balance sheet total
	Number of reporting agents*	% (of total category)	% (of balance sheet total of all the institutions)
NBH	1	100.00	25.74
Other monetary financial institutions	227	100.00	74.26
Banks	30	100.00	62.89
Specialised credit institutions	8	100.00	6.39
Co-operative credit institutions	189	100.00	4.98
Savings co-operatives	183	100.00	4.92
Credit co-operatives	6	100.00	0.06
Total	228	-	100.00

* As from 2003, this will additionally include 16 money market funds.

Hungary

2.9.4 *Special reporting procedures for the national central bank*

Main items:

- Daily:
 - Central bank interest rates.
- Monthly:
 - end-of-month balance sheet of NBH;
 - monthly average stock of individual NBH balance sheet items constructed from daily stocks;
 - financial derivatives;
 - notes and coins.
- Quarterly:
 - Certain balance sheet items in greater detail in a breakdown by sector and maturity, country and their currency composition.
- Annual:
 - Audited balance sheet.

The statistical reporting duties of the NBH are laid down in the AST. The NBH's obligation to prepare annual financial statements and the characteristics of its bookkeeping obligation are set forth in Government Decree 221 of 2000.

2.10 **Data processing and compilation methods**

2.10.1 *Basis of calculation*

The data are mainly end-of-period figures. An important exception is the monetary base, where average monthly stocks are derived as the simple arithmetic mean of daily data.

2.10.2 *Revisions*

Within the framework of regular revisions, preliminary data are replaced monthly by final (revised) data, and end-of-the-year balance sheet data of credit institutions annually by audited figures. There may also be ad hoc

revisions if significant errors are found during on-site inspections at credit institutions. Provisional data and revisions are marked and explained in footnotes.

2.10.3 *Derivation of flow statistics*

Breaks in data are, as far as possible, removed from the published series. When a break in the series is due to changes in definitions or methodology, data are adjusted and made consistent with new definitions for the whole series, using estimates when required. If the recalculation of the series is not possible, breaks are highlighted in press releases, methodological notes and footnotes.

The effects of write-offs are reported by other monetary financial institutions. Transactions are calculated by removing these and the effects of exchange rate changes from the differences of stocks. The methodology of calculating flows is currently under revision due to the lack of a uniform framework across various statistics. As from 2003, other monetary financial institutions are required by the NBH to submit all tables relating to the breakdown of flows under ECB Regulation 2001/13.

2.10.4 *Seasonal adjustments*

At the latest in June 2003, the NBH intends to publish seasonally adjusted data for monetary aggregates. The seasonal adjustment will be carried out using TRAMO/SEATS.

2.11 **Publication**

2.11.1 *First release of data (including the medium)*

- The NBH's preliminary statistical balance sheets are published monthly as press releases, 8 days after the end of the reference month.

- The preliminary consolidated balance sheet of monetary institutions and figures for monetary aggregates are published monthly as press releases, 14 days after the end of the reference month. (This publication will cease in 2003.)
- The NBH's statistical balance sheet, the consolidated balance sheet of other monetary financial institutions, and the consolidated balance sheet of monetary institutions, as well as changes in monetary aggregates, which comprise finalised data, are published monthly in a time series format, 52 days after the end of the reference month (as from 2003, the series and the press releases on the consolidated balance sheet of monetary institutions and monetary aggregates will be published on the final trading day of the month following the reference month.)

releases and series simultaneously made available on the NBH website.

The NBH complies with SDDS regulations, and as well as with non-compulsory recommendations on some occasions.

2.11.2 Core weekly/monthly publications

All core monthly publications are listed in 2.11.1 First release of data. There is no weekly publication.

2.11.3 Other statistical publications

Other main (occasional) publications:

- Working papers, methodological papers and background studies.

The statistical data will be available for all users outside NBH in the form of press

3 Contacts at the Magyar Nemzeti Bank

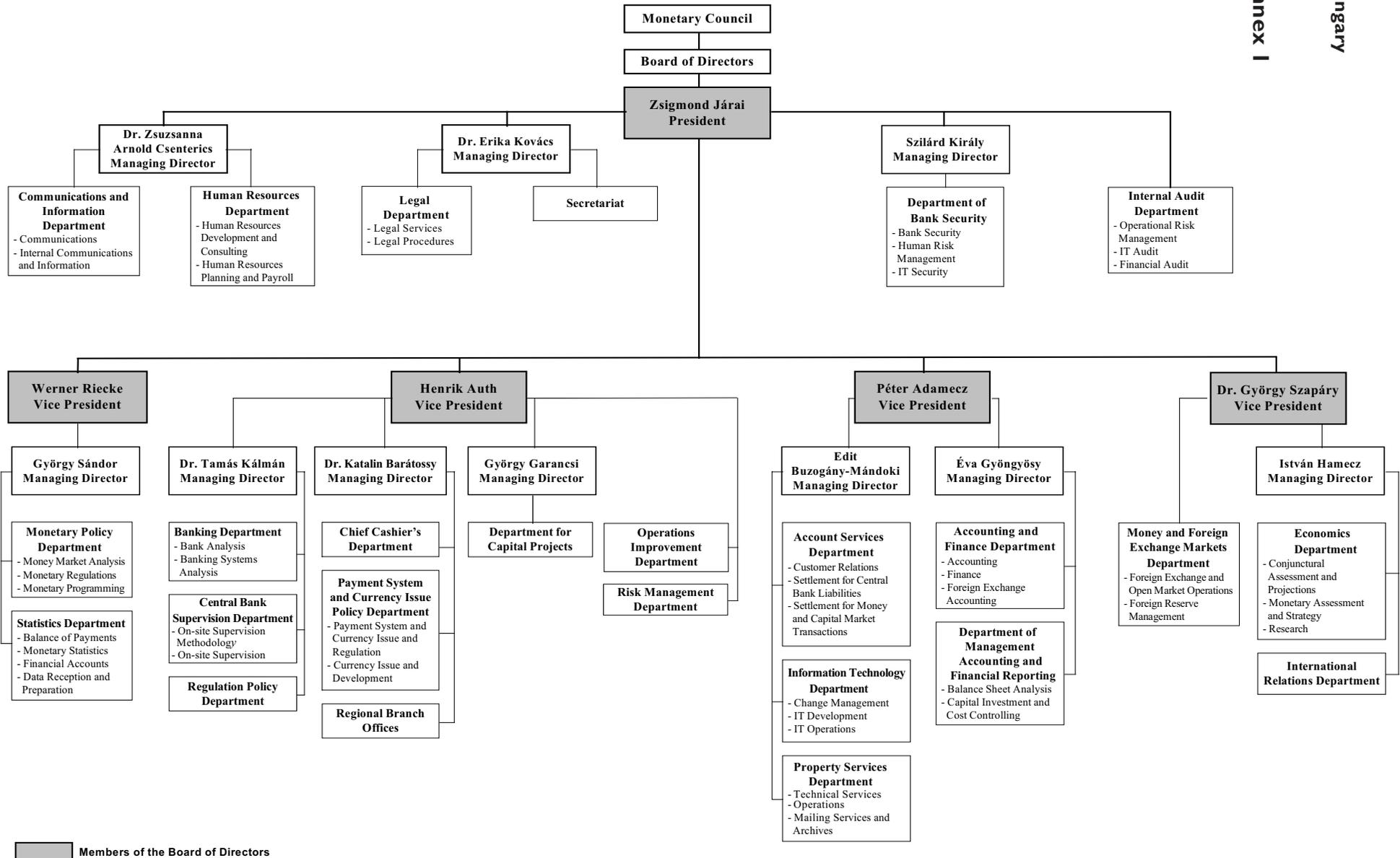
Any queries concerning the issues described in this country chapter should be addressed to:

National Bank of Hungary
 Statistics Department,
 Monetary Statistics Division
 Address: 1850 Budapest V., Hold u 4.
 Telefax: 36-1-428-2539
 Szilvia Veres
 Tel: 36-1-428-2600/1721
 E-mail: veressz@mnbb.hu

National Bank of Hungary Organisation Chart (31 December 2002)

Annex I

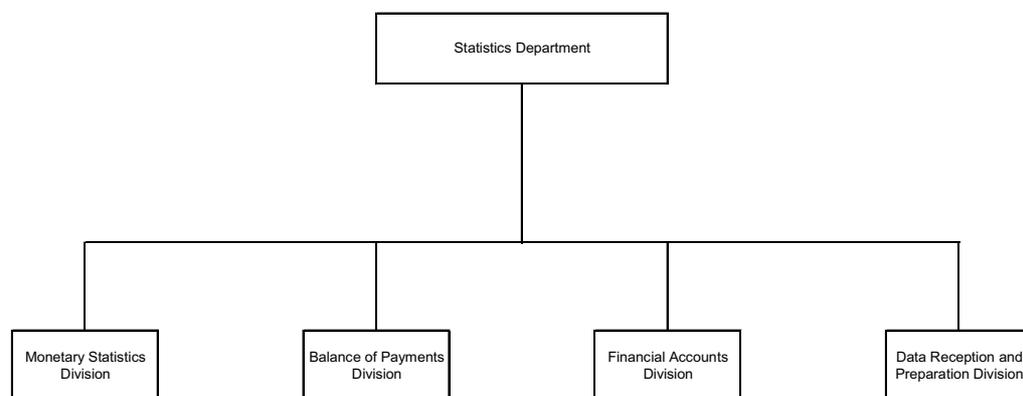
Hungary



Members of the Board of Directors

Annex 2

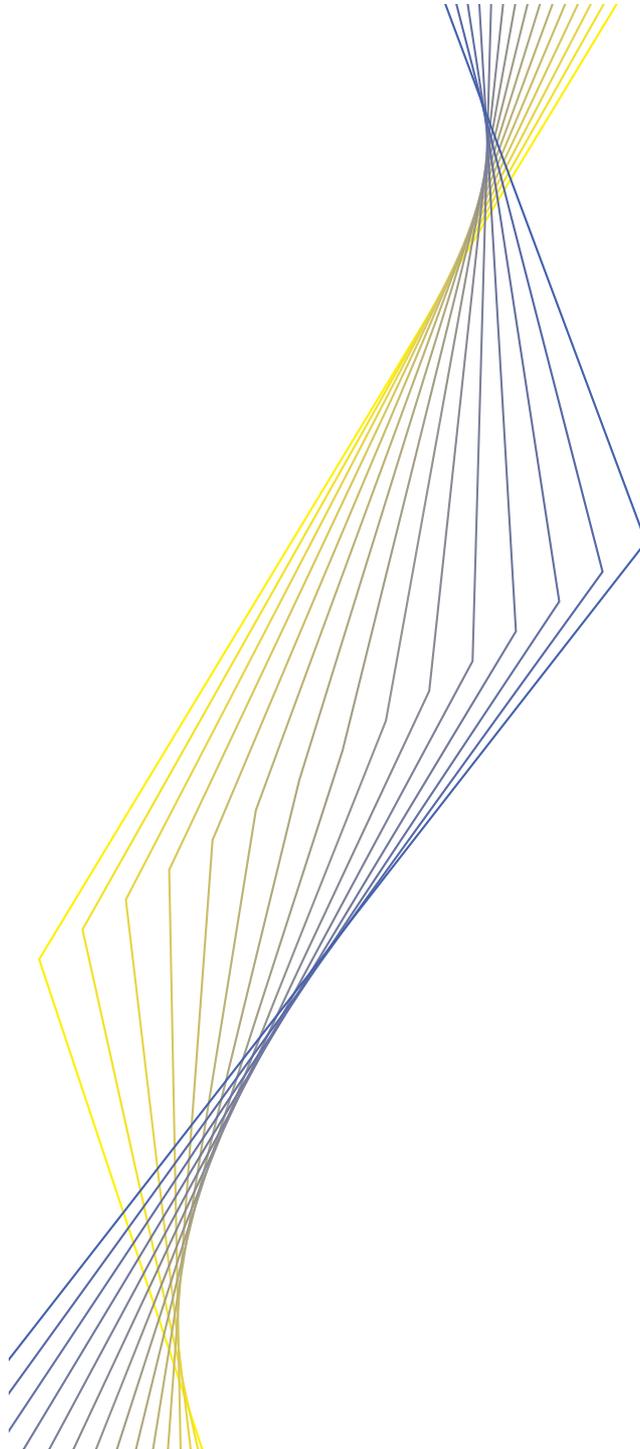
Organisation chart of the Statistics Department of the NBH (31 December 2002)



Hungary



EUROPEAN CENTRAL BANK



Latvia

List of abbreviations

BIS	Bank for International Settlements
ECB	European Central Bank
EMU	European Monetary Union
ESA 95	European System of Accounts 1995
EU	European Union
IMF	International Monetary Fund
LVL	Latvian Lats
NACE	Statistical Classification of Economic Activities in the European Union
SDDS	Special Data Dissemination Standard

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

The Governor of the Bank of Latvia (Latvijas Banka) is appointed by the Parliament of the Republic of Latvia (the Saeima, the former Supreme Council) upon the recommendation of at least ten Members of Parliament. The Deputy Governor and members of the Board of Governors are appointed by the Parliament upon the recommendation of the Governor of the Bank of Latvia. They all are appointed for a term of six years.

The Executive Board of the Bank of Latvia consists of six persons drawn from the Bank's senior management by the Board of Governors. The Executive Board manages the Bank's day-to-day activities and implements the directives of the Board of Governors.

See Annex 1.

I.1.2 Organisation of statistical work at the national central bank

See Annex 2.

I.2 Legal background

The Bank of Latvia, Latvia's central bank, is a public law entity established by the Parliament and operates under the Law on the Bank of Latvia (adopted on 19 May 1992 and amended in 1997, 1998, 1999, 2001 and 2002).

The Law on the Bank of Latvia is available on the Bank's website at:
www.bank.lv/eng/main/lvbank/l1b/

I.3 Institutional aspects

I.3.1 The role of the national central bank

I.3.1.1 Introduction

The Bank of Latvia is independent in the adoption of its decisions and in their practical implementation in accordance with Section 1 of the Law.

Under the Law on the Bank of Latvia, the Bank:

- is the sole bearer of the right to issue the national currency (banknotes and coins);
- sets the exchange rate of the national monetary unit against foreign currencies;
- promotes the smooth operation of payment systems in the Republic of Latvia, approves regulatory requirements and regulations to ensure efficient and sound functioning of the clearing and payment systems, and organises and ensures the operation of the interbank payment system in the Republic of Latvia;
- collects, registers and compiles financial and balance of payments statistics, and publishes the compiled statistics;
- controls compliance with the regulations and regulatory requirements it has issued. The control procedures are performed upon the Bank's authorisation;
- upon receipt of specific authorisation from the Government, is entitled to act as the Government's financial agent in banking transactions;
- issues licences to legal entities listed in the Republic of Latvia Register of Enterprises, except credit institutions, for the purchase and sale of foreign currency as a business activity.

1.3.1.2 General responsibilities of the national central bank

The main objective of the Bank of Latvia is to implement monetary policy by controlling the amount of money in circulation with the aim of maintaining price stability in the country.

The Bank of Latvia advises the Parliament and the Cabinet of Ministers on monetary policy and other matters pertaining to the execution of the central bank's tasks.

The Bank of Latvia keeps the State budget resources and the resources of special funds in accounts opened for the Government, and effects the transfer of budget resources free of charge. The Ministry of Finance of the Republic of Latvia may receive information on the State budget resources at any time and follow the use of these resources.

The Bank of Latvia represents the Republic of Latvia in dealings with foreign central banks and international monetary institutions. The Governor of the Bank represents the Bank of Latvia in relations with other banks, central and local government institutions of Latvia and international financial organisations.

Where necessary for the execution of its tasks, the Bank of Latvia receives information from the Financial and Capital Market Commission, which is a supervisory authority, and from other state and governmental institutions.

More information on the objectives of the Bank of Latvia is available on the Bank's website at www.bank.lv.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

Under Article 40 of the Law on the Bank of Latvia, the Bank of Latvia collects, registers

and compiles banking and monetary statistics and, since January 2000, balance of payments statistics as well (see Annex 2). The Bank is also responsible for reserve base statistics.

The Bank of Latvia publishes banking and monetary statistics on a monthly and a quarterly basis in its Monetary Bulletin and its Monetary Review. The Bank also publishes an Annual Report. The publications are available to the public on hard copy and on the Bank of Latvia's website. Balance of payments statistics are published on a monthly (key items) and a quarterly basis and disseminated via the Bank's website, in the monthly 'Latvia's Balance of Payments (Key Items)', and in the quarterly 'Latvia's Balance of Payments'.

The Bank submits the collected data for publication in the monthly International Financial Statistics of the International Monetary Fund (IMF) and in the monthly Economic Indicators of Eastern Europe of the Bank for International Settlements (BIS), as well as in the information systems of Eurostat and the European Central Bank (ECB).

Since 1996, Latvia has subscribed to the IMF's Special Data Dissemination Standard, which applies to the dissemination of key economic and financial data.

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

Under the Law on State Statistics, the Central Statistical Bureau of Latvia is responsible for the collection and publication of the country's statistical information on economic, demographic and social phenomena and processes, and on the environment. The website address of the Central Statistical Bureau of Latvia is www.csb.lv.

The Bank of Latvia has an agreement with the Central Statistical Bureau of Latvia on co-operation in the area of statistics and the exchange of macroeconomic data.

Under the Law on the Financial and Capital Market Commission (passed on 1 June 2000 and in effect as of 1 July 2001), the Financial and Capital Market Commission regulates and monitors the functioning of the financial and capital markets and market participants (including credit institutions and credit unions). At least once a quarter, the Commission informs the Bank of Latvia and the Ministry of Finance about the situation in the financial and capital markets. The Financial and Capital Market Commission and the Bank of Latvia share statistics relevant for the execution of their tasks.

exchange of statistical data relating to government finances, international reserves and foreign currency liquidity.

The Bank of Latvia, the Riga Stock Exchange and the Latvian Central Depository exchange data relating to the securities market. These data include the amounts and types of securities issued and owned by legal and natural persons.

1.3.2.3 An overview of statistical data collection and compilation

The Bank of Latvia also has an agreement with the Ministry of Finance of Latvia on the

See Table I.

Table I

Statistical areas	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Securities issues statistics
Data collected	<p>The Monthly Financial Position Report of Credit Institutions and its Appendices are submitted within six working days of the end of the reporting period.</p> <p>Reporting population: credit institutions and credit unions.</p> <p>Preliminary aggregated data are available on the ninth working day, and final data on the 18th working day following the reporting period. Data collected are stock data.</p> <p>Aggregated data from the Monthly Financial Position Report of Credit Institutions and its Appendices are used in the calculation of monetary aggregates.</p>	<p>The Report on Interest Rates and Volumes of Non-bank Loans and Deposits is to be submitted by the fifth day of the following month.</p> <p>Reporting population: all credit institutions and credit unions.</p> <p>Final aggregated data are available on the ninth working day after the reporting period.</p> <p>The Report on Interest Rates and Volumes of Interbank Market Loans and Deposits is to be submitted on the next working day after the seventh, 15th, 23rd and last day of the reporting month.</p> <p>Reporting population: all credit institutions.</p> <p>Final aggregated data are available on the fourth working day after the reporting period.</p>	<p>Credit institutions submit reports on Latvian government securities holdings (a separate report for each security) by the seventh day of the following month. Data are stock data in nominal values. Final aggregated data are available on the twelfth day after the reporting period.</p> <p>The Bank of Latvia maintains a database on the issuance and redemption of government securities in breakdown by maturity (1, 3, 6 and 12-month Treasury bills and 2, 3 and 5-year bonds).</p> <p>The Financial and Capital Market Commission collects information on securities issues from all public issuers when registering issues. Information on individual issues of securities in public circulation is published immediately after the registration of the issue, i.e. is submitted to news agencies and put on the Financial and Capital Market Commission's website (http://www.fktk.lv/tirgus/vertspapiri/emitenti)</p> <p>All brokerage companies and credit institutions submit data on securities holders to the Financial and Capital Market Commission no later than on the tenth day after the reference period.</p> <p>The Latvian Central Depository keeps securities accounts for all issuers and custodians of securities in public circulation as well as debt securities issued</p>

Table I (continued)

Statistical areas	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Securities issues statistics
Data collected			in private placements that are deposited with the Latvian Central Depository. Data are available on the website of the Latvian Central Depository at http://www.lcd.lv/
Collecting agents	Bank of Latvia	Bank of Latvia	Bank of Latvia Financial and Capital Market Commission Latvian Central Depository
Users	Bank of Latvia Central Statistical Bureau of Latvia Ministry of Finance of Latvia Association of Latvian Commercial Banks Financial and Capital Market Commission IMF, ECB, Eurostat, BIS	Bank of Latvia Central Statistical Bureau of Latvia Financial and Capital Market Commission IMF, ECB, Eurostat	Bank of Latvia Latvian Central Depository Financial and Capital Market Commission Riga Stock Exchange
Description	<p>Credit institutions submit their reports electronically, using the interbank data transmission network. Credit unions submit data on paper. Data are input electronically to obtain a Microsoft Excel 2000 version. Data are stored by means of the Microsoft SQL server 2000.</p> <p>For further information, please see Section 2.5.</p>	<p>The reports include data on newly granted loans and attracted deposits. Interest rates are given as weighted averages.</p> <p>Data are available in breakdown by maturity and currency.</p> <p><i>By maturity</i></p> <p>Loans up to 1 month, 1 to 3 months, 3 to 6 months, 6 months to 1 year, 1 to 5 years, over 5 years</p> <p>Deposits demand, up to 1 month, 1 to 3 months, 3 to 6 months, 6 months to 1 year, 1 to 5 years, over 5 years.</p> <p><i>By currency</i></p> <p>LVL, currencies of OECD countries, other foreign currencies.</p> <p>Data are submitted on paper.</p> <p>Data are input electronically to obtain a Microsoft Excel 2000 version. Data are stored by means of the Microsoft SQL server 2000.</p>	<p>The reports on Latvian government securities holdings are submitted to the Bank of Latvia on paper. Data are input electronically to obtain a Microsoft Excel 2000 version. Data are stored by means of the Microsoft SQL server 2000.</p> <p>The Bank of Latvia maintains a database on the issue and redemption of government securities in breakdown by maturity (1, 3, 6 and 12-month Treasury bills and 2, 3 and 5-year Treasury bonds). Data are collected on a security-by-security basis.</p> <p>Upon registration of issues, the Financial and Capital Market Commission collects the data on a security-by-security basis. Issuers provide information directly.</p> <p>The Financial and Capital Market Commission collects statistics on securities holdings and provides the following information:</p> <ul style="list-style-type: none"> – owner of securities (financial intermediaries, residents and non-residents); and – type of securities (equities, corporate fixed income, government fixed income, investment fund units and derivatives). <p>The data are aggregated stock data. Securities are valued at their market price. The maturity breakdown is not given.</p> <p>The registration of securities in the safe-custody system of the Latvian Central Depository fully complies with international standards. Each issue of securities is assigned a unique International Securities Identification Number (ISIN code). The Classification of Financial Instruments code is used for the description of securities in accordance with the ISO 10962 standard. Data are on a security-by-security basis.</p>

Table I (continued)

Statistical areas	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Data Collected	<p>The reporting form entitled "Calculation of the Reserve Requirements" is submitted within five working days after the 15th day of every month, while the form "Report on the Compliance with the Reserve Requirements" is submitted by the fifth day after the end of the reserve maintenance period, which starts on the 24th day of the month and ends on the 23rd day of the following month.</p> <p>Reporting population: credit institutions.</p> <p>Aggregated data are available on the seventh working day after the reporting date.</p> <p>The reserve requirements are applied to the following liabilities:</p> <ul style="list-style-type: none"> all types of non-bank deposits. Non-bank deposits attracted by branches of Latvian banks located abroad are excluded. (As of 23 December 2002, deposits with agreed maturity of over 2 years, deposits with over 2 years' notice and repo transactions are excluded); issued securities (excluding debt securities with original maturity of up to 2 years (including) where it can be proved that these securities are owned by other banks, and issued irrevocable debt securities with original maturity of over 2 years). <p>The reserve requirement is met with the average end-of-day balance on the reserve account and the average vault cash balance. (Currently, the cash component is 30%. As of 24 January 2003, the share of vault cash in reserve holdings will be reduced to 0%.)</p>	<p>The Central Statistical Bureau of Latvia collects non-bank balance sheets and profit and loss accounts, data on the general government budget and budgetary organisations.</p> <p>The Bank of Latvia provides the Central Statistical Bureau of Latvia with its own balance sheet, the aggregated balance sheet of credit institutions and credit unions, profit and loss accounts and the aggregated balance sheet of the banks whose licences have been revoked. Likewise, the Bank of Latvia provides the Central Statistical Bureau of Latvia with data on the country's international investment position.</p> <p>The Financial and Capital Market Commission provides the Central Statistical Bureau of Latvia with the aggregated balance sheet of investment companies, insurance companies and pension funds.</p> <p>Depending on the type and source, data are collected either on a monthly, quarterly or annual basis.</p> <p>Financial accounts are published three months after the end of the reporting year.</p>	<p>The Bank of Latvia collects data on non-bank external payments. Banks report these data on the third working day after the seventh, 15th, 23rd and last day of the month. Non-banks report on incoming external payments made via domestic banks and all external payments made via accounts with foreign banks by the fifth working day of the following month.</p> <p>The Bank of Latvia conducts surveys on foreign investment (quarterly, by the 25th day of the following month; and annually, by the 25th day of the following month) and on transportation and intermediary services (quarterly, by the 25th day of the following month). On a monthly basis, the Bank of Latvia also collects statistics on intermediation services related to job contracts for working abroad (by the 15th day of the following month).</p> <p>The Central Statistical Bureau of Latvia provides aggregated data on foreign trade in breakdown by country by the 50th day after the reporting month and on travellers' expenditure by the 30th day following the reporting quarter.</p> <p>The balance of payments data are available:</p> <ul style="list-style-type: none"> monthly data – on the 30th working day following the reporting month; quarterly data – on the last business day of the quarter following the reporting quarter; annual data – on the last business day of the quarter following the last quarter of the reporting year. 	<p>Prudential reports:</p> <ul style="list-style-type: none"> calculation of capital adequacy, monthly; report on the maturity structure of assets and liabilities, monthly; calculation of the liquidity ratio, monthly; report on large exposures, monthly; report on exposures to persons connected with a credit institution, monthly; report on exposures exempt from restrictions on exposures, quarterly; report on exposures to residents in zone B countries, monthly; report on country risk (exposures by country), monthly; report on the evaluation of assets and off-balance-sheet items (loan classification and provisioning), quarterly; report on qualifying holdings and fixed assets, semi-annually; report on investments in the movable property and real estate and holdings in the share capital of undertakings, semi-annually; report on the share capital and subordinated capital of credit and financial institutions, semi-annually; report on the takeover of holdings and holdings in the share capital of ancillary banking undertakings, semi-annually; private person deposits, semi-annually; consolidated prudential reports, quarterly. <p>These reports are submitted by credit institutions by the 15th day of the following month or, in the case of consolidated reports, by the 15th day of the second month following the reporting date.</p>

Table I (continued)

Statistical areas	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collecting agents	Bank of Latvia	Central Statistical Bureau of Latvia	Bank of Latvia	Financial and Capital Market Commission
Users	Bank of Latvia	Central Statistical Bureau of Latvia Ministry of Finance of Latvia Bank of Latvia Eurostat	Bank of Latvia Central Statistical Bureau of Latvia Ministries of Latvia IMF, ECB, Eurostat, BIS	Financial and Capital Market Commission Bank of Latvia
Description	Credit institutions submit their reports electronically, using the interbank data transmission network. Data are input electronically to obtain a Microsoft Excel 2000 version. Data are stored by means of the Microsoft SQL server 2000.	Calculations are performed using the ESA 95 methodology. All statistical surveys of enterprises and all aggregate information from banks and insurance companies are received on paper. Enterprise data are stored electronically in databases (ACCESS and FOX PRO). Worksheets of financial accounts are calculated using EXCEL.	Within the International Transaction Reporting System, data on all non-bank external payments passing through the domestic banks are collected electronically (threshold: LVL 1,000). Reports from non-banks are submitted on paper. Data are input electronically to obtain a Microsoft Excel 2000 report version. Data are stored by means of the Microsoft SQL server 2000.	Data are submitted on paper. Data are input electronically to obtain a version of the reports in the Microsoft Excel 2000 environment.

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

Articles 4 and 7 of the Law on State Statistics, which was adopted on 6 November 1997 and amended in 1999, define the organisation of state statistics in the Republic of Latvia and authorise the Bank of Latvia to collect, record and compile statistics within its fields of responsibility.

In accordance with Article 39 of the Law on the Bank of Latvia, the Bank approves statistical reporting forms and the procedures for submitting such reports. Article 40 of the Law requires the Bank to collect, register and compile financial and balance of payments statistics, as well as to publish the compiled statistics (see website at www.bank.lv/eng/main/lvbank/llb/).

In order to receive information from credit institutions and credit unions required by

financial statistics and the national balance of payments, the Bank of Latvia has adopted the Regulation for Compiling the Monthly Financial Position Report and Its Appendices (approved by the Bank of Latvia's Board of Governors, Resolution No. 88/7 of 12 July 2001).

2.1.2 Statistical standards

The Bank of Latvia compiles banking and monetary statistics in accordance with the IMF's recommendations set forth in the Manual on Monetary and Financial Statistics. Likewise, the Bank of Latvia follows ECB requirements laid down in Regulation (EC) No 2423/2001 of the ECB of 22 November 2001 concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13).

In order to provide the publication of data in compliance with the internationally recognised classifications, credit institutions

and credit unions in the Republic of Latvia are required, when preparing statistical reports, to use the Statistical Classification of Economic Activities in the European Communities, the codes for the representation of names of countries and their subdivisions (ISO 3166) and the codes for the representation of currencies and funds (ISO 4217).

2.2 Concepts and definitions

2.2.1 *Statistical definitions: economic territory and residency principles*

The boundaries of the economic territory used for the purposes of monetary statistics are the same as those of Latvia's present geographic territory.

In order to define the sectors "Total economy" and "Rest of the world" in the national accounts, the definitions from the European System of Accounts (ESA 95) have been used.

The definitions of residents and non-residents provided in the Bank of Latvia's Regulation

for Compiling the Monthly Financial Position Report and Its Appendices are as follows:

Residents are all institutions, including foreign ones, registered and operating in the Republic of Latvia and private persons whose households are located in Latvia and who have not left Latvia for a period of over one year (except students). Latvian diplomatic, consular and other representative offices abroad are also considered residents.

Non-residents are all institutions registered abroad and private persons whose households are located outside Latvia or who are staying in Latvia for a period of less than one year (except students). Foreign diplomatic and consular representative offices, offices of international institutions and other official representative offices in Latvia are also considered non-residents.

Foreign branches of domestic banks are treated as non-residents and, conversely, foreign banks' domestic branches are treated as residents.

Offshore institutions are treated as residents of their country of registration.

Latvia

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

Table 2

Sector classification	Sectors		Definitions	
Money-creating sector	Central bank	Bank of Latvia	The Bank of Latvia is the central bank of the Republic of Latvia.	
	Credit institutions	Banks	A credit institution is a business venture that has been established to accept deposits and other repayable funds, and to grant loans on its own behalf. A credit institution operates as a bank or a branch of a foreign bank.	
		Branches of foreign banks		
	Credit unions		A credit union is a cooperative association with a variable number of members and capital, established to provide financial services to its members as stipulated by the Law on Credit Unions.	
Money-holding sector	Other financial institutions	Financial intermediaries (including financial auxiliaries)	Other financial institutions are institutions other than a central bank, a credit institution or a monetary financial institution that conduct investment and credit operations or provide financial intermediation services related to such operations. Other financial institutions include, for example, insurance companies, pension funds, companies engaged in financial leasing and factoring, export/import financing companies, pawnshops, investment funds, stock exchanges, broker companies, companies purchasing and selling currencies, and holding corporations that exercise direct management and control over subsidiaries involved in financial intermediation.	
		Insurance companies and pension funds		
	Non-financial enterprises	Public enterprises	An enterprise is an economic entity producing goods or providing non-financial services with the aim of gaining profit or other forms of yield. Sole proprietorships, farms and fishing farms that are registered in the Republic of Latvia Enterprise Register are also regarded as enterprises in the Republic of Latvia.	
		Private enterprises		
	Private persons		Private persons are natural persons or groups of natural persons (households) whose principal activity is consumption and who produce goods and services exclusively for their own consumption. Persons who are engaged in individual entrepreneurship but have not registered their activity with the Republic of Latvia Enterprise Register are also treated as private persons.	
	Non-profit institutions serving private persons		A non-profit institution serving private persons is an institution that provides goods and services to private persons or groups of private persons and that derives resources mainly from voluntary contributions in cash or kind. Such institutions include trade unions, professional or educational associations, consumers' associations, political parties, churches, religious communities, as well as cultural, recreation and sports clubs, and charity, aid and support organisations.	
Money-neutral sector	Government	Central government (including the social security fund)	Central government is made up of governmental bodies, including ministries, embassies, representative offices, agencies, councils, educational establishments, as well as healthcare, jurisdictional, cultural and other governmental institutions that are financed from the central government budget.	
		Local government	Local government is made up of public institutions whose competence extends only to their local economic territory. Local governments include public non-profit institutions controlled and financed by local government.	
Non-resident sector	Non-residents ¹	EU countries	Non-residents include all institutions registered abroad. Latvian enterprises and their branches registered abroad are regarded as non-residents, as are private persons residing and working in Latvia for less than one year, as well as tourists, seasonal workers and foreign students.	EU countries
		Other countries and international organisations		Non-EU countries

¹ The institutional breakdown for the non-resident sector is the same as for the resident sector.

2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

The sectoral breakdown used for the purposes of the Monthly Financial Position

Report differs slightly from the institutional breakdown in the ESA 95 (see Table 3): the social security fund comes under the central government, whereas these are stated separately in the ESA 95.

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Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification	
Money-creating sector	Central bank	Bank of Latvia	S121 Central bank	S12 Financial corporations	Money-creating sector	
	Credit institutions	Banks	S122 Other monetary financial institutions			
		Branches of foreign banks				
Credit unions						
Money-holding sector	Other financial institutions	Financial intermediaries (including financial auxiliaries)	S123 Other financial intermediaries, except insurance corporations and pension funds	S11 Non-financial corporations	Money-holding sector	
			S124 Financial auxiliaries			
		Insurance corporations and pension funds	S125 Insurance corporations and pension funds			
	Non-financial enterprises	Public enterprises	S11 Non-financial corporations			
		Private enterprises	S14 Households			
	Private persons	S15 Non-profit institutions serving households				
	Non-profit institutions serving private persons					
Money-neutral sector	Government	Central government (including social security funds)	S1311 Central government	S13 General government	Money-neutral sector	
		n.a.	S1312 State/regional government			Money-holding sector
		Local government	S1313 Local government			
	n.a.	S1314 Social security funds				
Non-resident sector	Non-residents ¹⁾	EU	S211 EU countries	S2 Rest of the world	Non-resident sector	
			S212 Institutions of the EU			
		Other countries and international organisations	S22 Third countries and international organisations			

1) The institutional breakdown for the non-resident sector is the same as for the resident sector.

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

According to the Law on Credit Institutions, a credit institution in the Republic of Latvia operates either as a bank or a branch of a foreign bank (Article 3).

A credit institution is defined as a business venture that has been established to accept deposits and other repayable funds from an unlimited number of customers, and to grant loans on its own behalf (Article 1).

See Table 4.

2.3.2 Definition of other monetary institutions

A credit union is a cooperative association with a variable number of members and capital, and is established to provide financial services to its members as stipulated by the Law on Credit Unions. The principal financial services rendered by credit unions are as follows:

- accepting deposits and other repayable funds from its members;
- lending to its members;
- trading money market instruments (cheques, bills, certificates of deposit, etc.), currency, financial agreements, securities on its members' instruction;
- issuing guarantees and other commitments by which it assumes the responsibility for debts of its members;
- keeping valuables for its members;
- providing consultations to its members with regard to financial issues.

2.3.3 Central government units with deposit liabilities included in measures of money

The Bank of Latvia does not include central government deposit liabilities in its measures of money.

Table 4

As at end-December 2002

Institutions	Number of institutions
Bank of Latvia	1
Credit institutions	23
Banks	22
Branches of foreign banks	1
Other monetary financial institutions	26
Credit unions	26
Total	50

2.4 Banking business: general deposits/other products

A general outline of financial services provided by credit institutions is included in the Law on Credit Institutions (adopted on 5 October 1995 and amended in 1996, 1997, 1998, 2000 and 2002). According to Article 1, item 4, these financial services are defined as follows:

- accepting deposits and other repayable funds;
- lending, also under the terms of financial leasing;
- money transmission services;
- issuing and servicing payment instruments other than cash;
- trading money market instruments (cheques, bills of exchange, certificates of deposit, etc.), foreign currency, financial contracts and securities on its own and its customers' behalf;

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- trustee operations;
- safekeeping and administration of securities;
- issuing guarantees (warranties) and other such statements of commitment that obligate the issuer to assume the responsibility for the debt of a third party;
- keeping of valuables;
- participating in the issue of shares and the rendering of related services;
- providing consultations to its customers on financial issues;
- intermediating in the market of money instruments;
- providing information related to the settling of customer liabilities;
- other transactions similar in nature to the above-mentioned financial services.

The types of deposit listed under Article 67 are:

- demand deposits of indefinite maturity, to be paid out on demand;
- time deposits;
- deposits with agreed maturities;

- deposits with indefinite maturities, requiring prior notice of withdrawal.

Time deposits placed with a credit institution for an indefinite term cannot be withdrawn any earlier than one month after the deposit is received. An application for withdrawal has to be submitted ten days prior to the withdrawal date unless the agreement specifies otherwise.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

The Regulation for Compiling the Monthly Financial Position Report of Credit Institutions and Its Appendices, which was approved by the Bank of Latvia's Board of Governors Resolution No. 88/7 of 12 July 2001, came into effect on 1 January 2002. This Bank of Latvia Regulation introduced the ECB's statistical reporting requirements (ECB Regulation ECB/2001/13), so that the information needed to prepare Tables 1, 2, 3 and 4 of the ECB Regulation can now be drawn from the aggregated Monthly Financial Position Report of credit institutions and credit unions.

The Monthly Financial Position Report of credit institutions and credit unions provides end-of-month stock data on assets, liabilities

Assets	Liabilities
Vault cash and deposits with the Bank of Latvia	Liabilities to the Bank of Latvia
Claims on credit institutions and foreign central banks	Liabilities to credit institutions and foreign central banks
Loans	Deposits
Debt securities (including other fixed income securities)	Issued debt securities
Shares and other variable income securities	Derivatives
Holdings in the share capital of associated enterprises	Other liabilities
Holdings in the share capital of affiliated enterprises	Transit funds
Derivatives	Deferred income and accrued expenses
Intangible assets	Provisions
Fixed assets	Subordinated liabilities
Own shares	Equity
Other assets	Trust assets (memo item)
Transit credit	Trust liabilities (memo item)
Prepaid expenses and accrued income	<i>Off-balance-sheet items</i>
	Contingent liabilities
	Liabilities to customers

and off-balance-sheet items. The main items of the Report are presented in the above table.

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

All items in the Monthly Financial Position Report are broken down by the residency principle (residents and non-residents) and by currency. The currency breakdown is subdivided into national currency and foreign currencies; the latter is further divided into OECD country

currencies and other currencies. The main balance sheet items are also broken down by individual currencies (among them the euro). All amounts are translated into lats.

The sectoral (counterparty) breakdown is shown in Table 2. More detailed breakdowns are available in the Appendices to the Monthly Financial Position Report (disclosing also EMU countries).

The instrument/maturity categories of the Monthly Financial Position Report are shown in the next table. All maturities are based on

Claims on and liabilities to credit institutions and foreign central banks	Loans	Debt securities (including other fixed income securities)	Deposits
<i>demand with agreed maturity</i>	<i>demand with agreed maturity</i>	<i>with maturity to redemption, as at the time of issuance</i>	<i>demand with agreed maturity</i>
up to 6 months	up to 6 months	up to 6 months	up to 6 months
6 to 12 months	6 to 12 months	6 to 12 months	6 to 12 months
1 to 2 years	1 to 2 years	1 to 2 years	1 to 2 years
2 to 5 years	2 to 5 years	2 to 5 years	2 to 5 years
over 5 years	over 5 years	over 5 years	over 5 years
<i>redeemable at notice</i>			<i>redeemable at notice</i>
up to 3 months			up to 3 months
3 months to 1 year			3 months to 1 year
1 to 2 years			1 to 2 years
over 2 years			over 2 years
<i>reverse repo (repo)</i>			<i>repo</i>

the original maturity or on the period of notice and are stated inclusive of their upper limit.

Additional monthly information on loans is available in breakdown by instrument: overdraft, commercial credit, industrial credit, reverse repo transactions, bills of exchange, financial leasing, payment card credit, consumer credit, mortgage loans, factoring and others. Additional quarterly information is available on the main balance-sheet items broken down by country. Loans granted by other financial institutions and non-financial enterprises to the national economy are broken down in accordance with the Statistical Classification of Economic Activities in the European Union (NACE).

2.6 Measure(s) of money: definitions and remarks

2.6.1 Definition of money and instrument breakdown of monetary aggregates

The Bank of Latvia compiles and disseminates a narrow monetary aggregate (M1), an intermediate one (domestic money supply, M2D) and a broad one (M2X), using the

national methodology. Government deposit liabilities are not included in the definition of the monetary aggregates. See Box I.

The sectorisation of deposits is as follows: other financial institutions, public enterprises, private enterprises, private persons and non-profit institutions serving private persons.

For internal purposes and to meet the requirements of the ECB, the Bank of Latvia also compiles monetary aggregates M1, M2 and M3 in accordance with the ECB's methodology. In 2000 and 2001, the Bank compiled estimated data and, as of January 2002, has started producing exact time series.

2.6.2 Sector allocation of holdings of negotiable instruments

Currency outside banks and demand deposits are transferable instruments included in the monetary aggregates. As mentioned above, the central bank is the only issuer of banknotes and coins. The sector breakdown – other financial institutions, public enterprises, private enterprises, private persons and non-profit institutions serving private persons – is available for demand deposits. The national

Box I

M1 includes:

- currency outside banks (currency in circulation, excluding banks' cash balances);
- demand deposits in lats.

M2D includes:

- M1;
- deposits in lats (deposits with agreed maturity, deposits redeemable at notice and repo transactions).

M2X includes:

- M2D;
- deposits in foreign currency.

Box 2**Net domestic assets****Domestic credit****Credit to the Government (net)**

Covers credit to the central government and local governments

Credit to enterprises and private persons

Includes loans to other financial institutions, public enterprises, private enterprises, private persons and non-profit institutions serving private persons

Other items (net)**Net foreign assets**

definition does not provide for the inclusion of holdings of securities issued by banks in the monetary aggregates. In 2003, the Bank of Latvia, in collaboration with the Latvian Central Depository, plans to start collecting data on holders of securities.

2.7 Counterparts of money

Counterparts of money, as disclosed in the monetary survey (consolidated accounts of the Bank of Latvia and credit institutions and credit unions), are shown in Box 2.

Domestic credit is shown in breakdown by sector, currency, maturity and type (see Section 2.5.2).

2.8 Reserve money

Reserve money includes currency in circulation and demand (transferable) deposits with the Bank of Latvia in the national currency – the lats – and in foreign currency (see Box 3).

Demand deposits include demand deposits of credit institutions, credit unions and other financial institutions.

2.9 Reporting procedures**2.9.1 Powers to collect statistics and collecting agents**

Article 40 of the Law on the Bank of Latvia states that “the Bank of Latvia shall collect, register and compile financial and balance of

Box 3

Monetary base (Reserve money) **M0** comprises:

- currency in circulation,
- demand deposits in lats with the Bank of Latvia
- demand deposits in foreign convertible currencies with the Bank of Latvia.

payments statistics, as well as publish the compiled statistics; such information shall not be published in a way that would make it possible to identify, directly or indirectly, any natural or legal person”.

Under Article 21 of the Law on State Statistics, respondents (natural persons or officials at enterprises or other institutions) are liable if they violate the procedure for collecting statistical data, delay the submission of data or refuse to submit information in compliance with the procedures laid down by the normative acts.

The Statistics Department of the Bank of Latvia acts as the collecting agent for monetary statistics.

2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

2.9.3 Reporting schemes

For monetary statistics purposes, the reporting population consists of all licensed credit institutions and credit unions in the Republic of Latvia.

The Monthly Financial Position Report and its Appendices (containing full balance-sheet data) are collected from all credit institutions and credit unions. The reporting form has to

be submitted to the Bank of Latvia within six working days of the end of the reporting period. Preliminary aggregated data are available on the ninth working day after the reporting period and are used for analysis. The final data are disseminated to the public on the 18th working day after the reporting period. Data are given in lats and on a stock basis. When preparing daily balance sheets, Latvian credit institutions and credit unions must comply with the International Accounting Standards. Financial instruments should be revalued on a regular basis and reported at their market value. Items denominated in foreign currencies are translated into lats, using the end-of-period exchange rates set by the Bank of Latvia. Banks submit data electronically, using the interbank data transmission network. Credit unions submit data on paper. Data are input electronically to obtain a Microsoft Excel 2000 report version and are stored by means of the Microsoft SQL server 2000.

Reporting schemes for interest rate statistics and reserve base statistics are listed in Table I.

2.9.4 Special reporting procedures for the national central bank

The Bank of Latvia prepares its balance sheet on a daily basis. The Bank of Latvia's month-end balance sheet is made available to the public on the Bank's website and in print by the 12th day of the following month.

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number	% of the total category	% of the total balance sheet of all institutions
Bank of Latvia	1	100	19.3
Credit institutions	23	100	80.6
Banks	22	100	77.5
Foreign bank branches in Latvia	1	100	3.1
Other monetary financial institutions	26	100	0.1
Credit unions	26	100	0.1
Total	50	-	100

The balance sheet of the Bank of Latvia is prepared in accordance with the historical cost basis of accounting, modified for the revaluation of certain assets and liabilities as mentioned below:

- gold and financial instruments denominated in foreign currencies are marked to market;
- financial assets and financial liabilities arising from derivative financial instruments are revalued on a regular basis and reported in the balance sheet at their fair value;
- loans to credit institutions are recorded in the balance sheet at the outstanding principal balance, adjusted for any specific credit risk provisions for loan impairment;
- Latvian central government securities are carried in the balance sheet at their fair value.

The Bank of Latvia's balance sheet is structured in accordance with the principle of residency and sectors established by the ESA 95.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

Data are end-of-period figures, with the exception of interest rate statistics on new business.

2.10.2 Revisions

Preliminary aggregated data in the Monthly Financial Position Report, which are compiled on the ninth working day after the close of the reporting period, can be revised as proposed by the credit institution or the credit union. The final data are then disseminated via the Bank of Latvia's website. If revisions are made after the monthly

publication, they are reported as such and are accompanied by explanatory notes. Quarterly data published in the quarterly Monetary Review are final. However, in case of reclassification, data may be revised over a longer time period. Revised data are indicated as such in the relevant publications.

At least one month's advance notice is given of changes in the methodology via the Bank of Latvia's website. Information about changes in the methodology is also provided at the time the data compiled using the new method are first published.

2.10.3 Derivation of flow statistics

Monthly flows are calculated using the Bank of Latvia's balance sheet data and credit institutions' aggregated monthly financial position report data. Flow statistics are compiled by the Bank of Latvia for its own use and are not published. Monthly flows are calculated as the difference between the previous and current end-month amounts outstanding, minus adjustments. The main items of the credit institutions' aggregated balance sheet are adjusted for valuation effects arising from changes in the exchange rate of the lats against foreign currencies. Where changes occur due to reclassification or reporting population, the stocks of data can also be adjusted according to the characteristics of the time series. In cases where adjustments are difficult, they are not made for past periods.

In 2003, the Bank of Latvia plans to remove effects arising from changes in the prices of securities and write-offs/write-downs of loans from statistical data.

2.10.4 Seasonal adjustment

The Bank of Latvia makes seasonal adjustments to monetary aggregates (M1, M2D and M2X in accordance with the national definition), using the automated

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software packages TRAMO/SEATS for WINDOWS and DEMETRA.

Since time series are too short, seasonally adjusted time series are not published, but are used internally for the purpose of analysis.

2.11 Publications

2.11.1 First release of data (including medium)

Monetary statistics are first released by posting them on the Bank of Latvia's website at www.bank.lv/eng/main/finfo/lbfinfo in accordance with the Advance Release Calendar.

Data (given in millions of lats) are disseminated in the Analytical Accounts of the Banking Sector, which cover the Bank of Latvia, credit institutions and credit unions.

The Analytical Accounts of the Banking Sector comprise the following information:

- Broad money (M2X)
 - Currency outside banks
 - Deposits of domestic enterprises and private persons
 - Demand deposits
 - Time deposits
 - Deposits with banks whose activities have been suspended
- Domestic money supply (M2D)
- Narrow money (M1)
- Gross foreign assets
- Net foreign position
- Net domestic assets

- Short and long-term credits to domestic enterprises and private persons

- Net credit to the Government.

The Analytical Accounts of the Bank of Latvia comprise the following information:

- Monetary base (M0)
- Currency in circulation
- Bank deposits in lats with the Bank of Latvia
- Bank deposits in foreign convertible currencies with the Bank of Latvia
- Net foreign position
- Net domestic assets
 - Credit
 - Banks
 - Central government (net)
 - Other credit (net)
 - Other items (net).

The Analytical Accounts of the Bank of Latvia and the Analytical Accounts of the Banking Sector are compiled on a monthly basis. The former are available on the last working day of the second week following the reference month and the latter within the next month following the reference month.

2.11.2 Core weekly/monthly publications

Since December 1994, monthly time series have been published in the monthly Monetary Bulletin. In general, the monthly reports contain the same information that constitutes the first release (see Section 2.11.1); the consolidated balance sheet of credit institutions is also shown. The publication is

available to the public in Latvian and English forty days after the reporting month on hard copy and on the Bank of Latvia's website.

2.11.3 Other statistical publications

The quarterly Monetary Review has been publishing monthly time series data since January 1993 and includes a wide set of tables containing month-on-month changes and stocks covering the monetary survey, the liquidity of the banking system, the structure of broad money, the consolidated balance sheet of credit institutions, and deposits and loans of enterprises and private persons. The publication is available to the public in Latvian and English three months after the reporting quarter on hard copy and on the Bank's website.

The Annual Report, the main publication covering the Bank of Latvia's activity, has been published in Latvian and English since 1992. This publication includes the annual financial statements, the Executive Board's report, as well as information on monetary policy, economic indicators, developments in the banking sector, international co-operation and the Bank's organisational structure. The Annual Report also contains a monetary policy calendar and appendices with monetary indicators and data from the Bank's balance sheet and profit and loss account, as well as exchange rates. The publication is released to the public on the Bank's website in April following the reporting year and on hard copy in May.

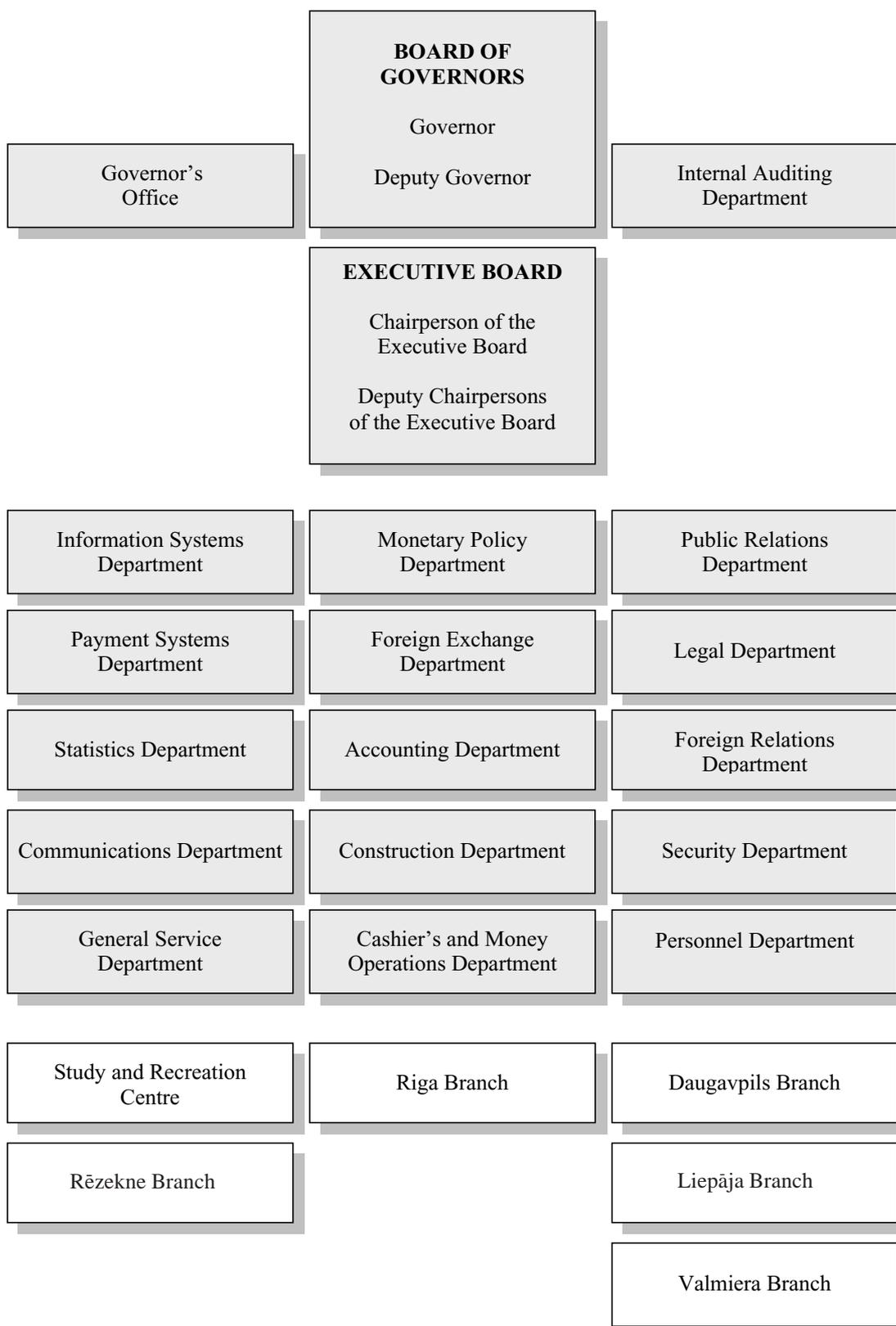
3 Contacts at the Bank of Latvia

Any queries concerning the issues described in this country chapter should be addressed to:

Banking and Monetary Statistics Division,
Bank of Latvia,
K. Valdemara 2A,
Riga,
LV-1050, Latvia

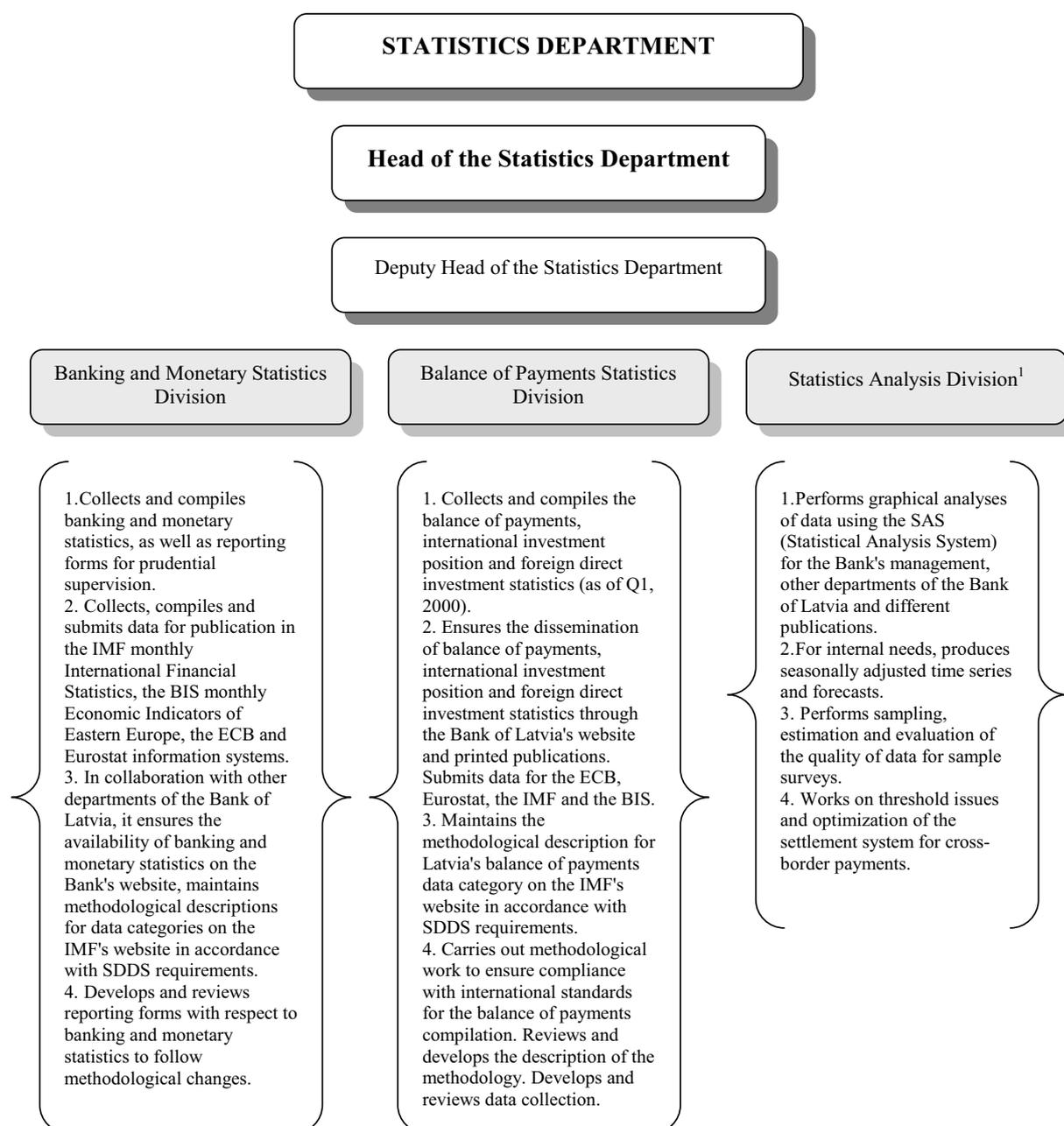
Annex I

The Bank of Latvia's Structure



Annex 2

Structure of the Statistics Department at the Bank of Latvia

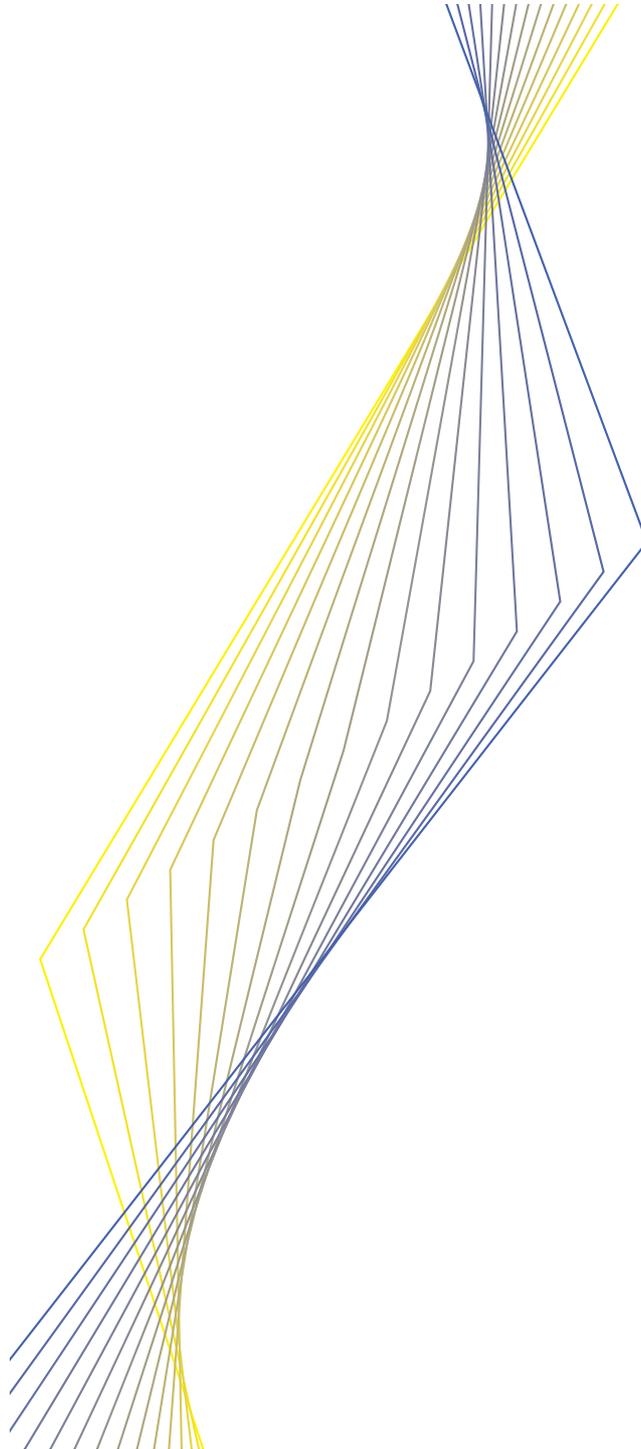


1) As of 1 March 2003, the name of the division and its functions will be changed.

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EUROPEAN CENTRAL BANK



Lithuania

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List of abbreviations

BoL	Bank of Lithuania
b.o.p.	balance of payments
CCUoL	Central Credit Union of Lithuania
CIs	credit institutions
CISD	Credit Institutions Supervision Department
CSD	Central Securities Depository
ECB	European Central Bank
ESA 95	European System of Accounts 1995
ESCB	European System of Central Banks
EU	European Union
EUR	euro
GSD	General Statistics Division
IAS	International Accounting Standards
i.i.p.	international investment position
IMF	International Monetary Fund
LSC	Lithuanian Securities Commission
LTL	Lithuanian litas
MOD	Market Operations Department
MoF	Ministry of Finance
MPD	Monetary Policy Department
MSAD	Monetary Statistics and Analysis Division
NSEL	National Stock Exchange of Lithuania
OECD	Organisation for Economic Co-operation and Development
SL	Statistics Lithuania (Lithuanian Department of Statistics)
VILIBID	Vilnius interbank bid rate
VILIBOR	Vilnius interbank offered rate

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

Lietuvos bankas – the Bank of Lithuania (BoL) – is governed by the Board of the BoL which consists of a Chairperson, three Deputy Chairpersons and seven members.

The activities of the BoL are organised by the Chairperson of the Board. The Chairperson is appointed for a term of five years by the Seimas (Parliament) of the Republic of Lithuania upon the nomination by the President of the Republic of Lithuania. The Deputy Chairpersons and Members of the Board are appointed for a term of nine years by the President of the Republic of Lithuania upon nomination by the Chairperson of the Board. One third of the Board of the BoL is renewed through rotation every three years, with the exception of the Chairperson and one Deputy Chairperson.

The functions of the BoL are performed by ten departments, five autonomous divisions and two branches in Kaunas and Klaipėda.

See Annex I.

I.1.2 Organisation of the statistical work at the national central bank

The BoL does not have a separate statistical department. The statistical work at the BoL is mainly performed by the Monetary Policy Department (MPD). However, some activities are also carried out by the Market Operations Department (MOD) and the Credit Institutions Supervision Department (CISD). The MPD is responsible for the monetary policy statistics, monetary statistics, financial market and interest rate statistics and international reserves and balance of payments (b.o.p.) statistics. The MOD processes and disseminates data on the interbank market interest rates VILIBID and

VILIBOR, on auctions of government securities and on official exchange rates. The CISD collects and processes the balance sheet reporting returns, profit and loss accounts and other returns for prudential supervisory purposes from credit institutions (CIs).

The MPD manages money and banking statistics in two divisions: the Monetary Statistics and Analysis Division (MSAD) and the General Statistics Division (GSD); they are also managed in the Domestic Market Operations Division of the MOD. The MSAD is responsible for monetary statistics, while the GSD deals mainly with other banking statistics. The Domestic Market Operations Division is responsible for the VILIBID and VILIBOR interbank market interest rates, as well as for government securities issue statistics.

I.2 Legal background

The legal framework for the statistical activities of the BoL is provided by the following laws:

- Law on Statistics (adopted on 12 October 1993, No. I-270; amended on 23 December 1999, No. VIII-151 I)

The law establishes the general organisational principles of official statistics, the rights and duties of respondents and collecting agents, as well as other aspects concerning the production of official statistics. Article 6 (1) of this law describes the BoL as one of the agencies managing official statistics. Article 10 (1) empowers the BoL to collect, process, compile, analyse and disseminate statistical information independently.

The complete text of this law can be found at www.std.lt in the “Legal basis” section.

- Law on the Bank of Lithuania (adopted on 1 December 1994, No. I-678; last amended on 13 March 2001, No. IX-205)

The law sets the legal framework for the activities of the BoL, its objectives,

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functions, responsibilities and other aspects of its performance. Article 8 (9) of this law empowers the BoL to collect monetary, banking and b.o.p. statistics, as well as data on Lithuanian financial and related statistics; to implement standards on the collection, reporting and dissemination of the said statistics; and to compile the b.o.p.

The complete text of this law can be found at www.lb.lt in the “Legal Acts” section.

1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The national central bank of the Republic of Lithuania is the BoL, which belongs by right of ownership to the State of Lithuania. The State of Lithuania is not liable for the obligations of the BoL, and the BoL is not liable for the obligations of the State of Lithuania. The BoL is governed by the Constitution, laws, international agreements and other legal acts of the Republic of Lithuania. The BoL maintains relations with foreign and international financial institutions, concludes agreements with them and represents the State of Lithuania in international financial institutions. The BoL has the exclusive right to issue banknotes and coins of the Republic of Lithuania.

The primary objective of the BoL is to seek price stability. The Bank, within the range of its competence, supports the economic policy carried out by the Government of the Republic of Lithuania, without prejudice to its primary objective.

The main functions of the BoL are as follows:

- to issue the currency of the Republic of Lithuania;
- to formulate and implement monetary policy;

- to determine the Litas exchange rate regulation system;
- to manage, use and dispose of the BoL’s foreign reserves;
- to act as a State Treasury agent;
- to issue and revoke licenses of CIs and to supervise the activities thereof;
- to establish principles and procedures for the financial accounting and reporting of CIs;
- to develop and manage an interbank funds transfer system; and
- to collect monetary, banking and b.o.p. statistics, as well as data on Lithuanian financial and related statistics; to implement standards on the collection, reporting and dissemination of the said statistics; and to compile the b.o.p. of the Republic of Lithuania.

In implementing its objectives and carrying out its functions, and pursuing activities necessary for these purposes, the BoL acts independently from state bodies and institutions of the Republic of Lithuania as well as other enterprises, institutions and organisations. The BoL twice a year presents reports to the Seimas on the implementation of its primary objective, on the performance of its functions and on the situation of the banking system.

1.3.1.2 General responsibilities of the national central bank

In order to implement its primary objective, the BoL is responsible for the system regulating the Lithuanian litas (LTL) exchange rate. Governed by this system, the BoL determines and announces the official LTL exchange rate. The official LTL exchange rate is established against the currency chosen as the anchor currency (since 2 February 2002, the euro) according to the procedure laid down in the Law on the

Credibility of the Litas (adopted on 17 March 1994, No. I-407; last amended on 5 April 2001, No. IX-236). According to this law, the BoL must also ensure that all its liabilities in LTL shall be fully backed by gold and foreign exchange reserves.

The BoL, in implementing its monetary policy, is responsible for the selection of monetary policy instruments. It establishes procedures and terms for rediscount, loan and deposit facilities as well as open market operations with CIs, and the procedure for the holding of required reserves for CIs.

The BoL is responsible for the management, usage and disposal of foreign reserves of the Bank with the view to implementing its primary objective and ensuring the reliability of the system for the regulation of the litas exchange rate.

The BoL is responsible for licensing and supervising CIs. It issues and revokes licenses and permissions, establishes prudential requirements and supervises the activities of CIs.

The BoL manages the treasury accounts and accounts of state funds, as well as organising the issue and redemption of government securities. It consults and makes proposals to the Government on issues related to financial markets and State Treasury policy. The BoL is prohibited from lending to the Government and other institutions belonging to the executive authority, state and municipal enterprises, or to purchase securities thereof on the primary market.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The BoL is responsible for macroeconomic statistics in the areas of money and banking

statistics, reserve base, b.o.p. and prudential supervision.

Bank balance sheet statistics/monetary aggregates and counterparts are compiled and disseminated by the MSAD of the MPD, while the balance sheet reporting returns of CIs currently used for this purpose are managed by the CISD. The MSAD is also responsible for the design and implementation of new balance sheet reporting returns and instructions in order to meet the requirements of ECB Regulation ECB/2001/13. Interest rate statistics on loans and deposits and on interbank money deposits are collected, compiled and disseminated by the GSD of the MPD. The VILIBID and VILIBOR interbank market interest rates and government securities issue statistics are compiled and disseminated by the Domestic Market Operations Division of the MOD.

Data on the reserve base are collected by the Monetary Policy Instruments Division of the MPD. The source of data is special reports from CIs subject to reserve requirements, which are used only for reserve requirements purposes.

Data on b.o.p. and the international investment position (i.i.p.) are compiled and disseminated by the Balance of Payments Division of the MPD. The data used for this purpose are collected from various sources. Statistics on international reserves and foreign currency liquidity are compiled and disseminated by the MSAD of the MPD.

Data required for prudential supervision of the banking sector are collected and compiled by the CISD. This information consists mainly of various breakdowns of balance sheet items.

The BoL is also responsible for co-ordinating the IMF Special Data Dissemination Standard system in Lithuania.

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1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

Statistical activities of other public authorities are governed by the Law on Statistics. This law obligates Statistics Lithuania (SL), its regional offices, ministries and other state and government institutions to be responsible for managing official statistics. It also specifies SL's central role in the production and dissemination of statistics. SL implements general state policy concerning the methodology and organisation of statistics, and co-ordinates the statistical activities of ministries and other institutions. SL actively pursues co-operation with providers of information for the timely transfer of data to SL.

SL is responsible for statistics on national accounts, production indices, labour market, price indices, merchandise trade, business,

investment and population. The Resolution of the Government of the Republic of Lithuania on the Implementation of the European System of Accounts (adopted on 16 May 2001, No. 569) outlines that the Ministry of Finance (MoF) and the BoL, respectively, shall provide all data in their possession that are required for the compilation of national accounts statistics.

The MoF, in co-operation with SL, is responsible for public finance statistics.

The BoL, SL and the MoF co-operate on the statistical methodology, as well as in the collection, compilation and dissemination of macroeconomic statistics.

1.3.2.3 Overview of statistical data collection and compilation methods

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>a) Central bank accounting balance sheet. Frequency: daily. Timeliness: within 1 day after the end of the reference day.</p> <p>b) Bank balance sheet report. Frequency: monthly. Timeliness: within 8 days after the end of the reference month.</p> <p>c) Credit union balance sheet report. Frequency: quarterly. Timeliness: within 7 days after the end of the reference quarter.</p> <p>d) Central credit union balance sheet report. Frequency: monthly. Timeliness: within 8 days after the end of the reference month.</p>	<p>a) Bank interest rates on loans and deposits. Frequency: monthly. Timeliness: within 10 days after the end of the reference month.</p> <p>b) Interest rates on interbank money deposits. Frequency: weekly. Timeliness: by 2 p.m. (local time) on Monday.</p> <p>c) Interbank market interest rates VILIBID and VILIBOR. Frequency: daily. Timeliness: at 11 a.m. (local time).</p>	<p>a) Primary market of government debt securities. Frequency: auction days (usually weekly). Timeliness: at about 12 noon (local time) on the auction day.</p> <p>b) Primary market of corporate debt securities and equities. Frequency: issue days. Timeliness: when the LSC registers a new issue.</p> <p>c) Secondary market of government debt securities and corporate debt securities and equities. Frequency: trading days (usually daily). Timeliness: 1 hour after the end of the trading session.</p>

Table I (continued)

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collecting agents	BoL	BoL	a) BoL and MoF b) LSC c) NSEL
Users	BoL, SL, MoF, other government ministries, IMF, OECD, Eurostat, ESCB and the general public	BoL, SL, government ministries, financial institutions, international organisations and the general public.	BoL, MoF, SL, LSC, CSD, international rating agencies, financial institutions, investors and other users
Description	Collected data are stocks at the end of the reference period. Data are collected electronically. Users at the BoL have access to the internal database.	<p>a) Bank interest rates on loans and time deposits are based on the amount of new business and calculated as a weighted average. Bank interest rates on demand and savings deposits are based on amounts outstanding and calculated as a weighted average. Data are collected electronically. Bank interest rates on loans and deposits are firstly published on the BoL website within 2 weeks after the end of the reference month.</p> <p>b) Interest rates on interbank money deposits are based on transactions and calculated as a weighted average. Data are collected electronically.</p> <p>c) VILIBID and VILIBOR are based on the quotes of at least five of the most active banks. VILIBID and VILIBOR are first released on Reuters page "LTBANK08" and the BoL website by 12 p.m. (local time).</p> <p>For more details, see the ECB publication <i>Money, Banking and Financial Markets Statistics in the Accession Countries</i>, Volume II.</p>	<p>a) Data on government debt securities issues are released immediately after the auction on the BoL website. Information on government debt securities is also available on the MoF website at www.finmin.lt.</p> <p>b) The LSC collects security-by-security information on corporate debt securities and equities issued by public companies. Annual aggregated data are available on the LSC website at www.lsc.lt.</p> <p>c) The summary of trading results, changes in indices, market capitalisation and other information are available on the NSEL website at www.nse.lt and in periodic NSEL bulletins.</p> <p>For more details, see the ECB publication <i>Money, Banking and Financial Markets Statistics in the Accession Countries</i>: Volume II.</p>

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Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	Credit institution report on liabilities in LTL and in foreign currencies for the purpose of calculating the reserve base and required reserves. Frequency: monthly. Timeliness: within 12 days after the end of the month	a) Banking survey and bank balance sheets; b) b.o.p.; c) Registers of government securities issues and debt; d) Reports on non-financial enterprises, brokerage firms and insurance companies; e) Information provided by the NSEL; f) Statistics of central and local government revenue and expenditure and public debt provided by the MoF. Frequency: annual.	a) Monthly data. Timeliness: within 30 working days after the end of the reference month. Sample data are collected by the BoL directly from surveys of selected economic entities. b) Quarterly data. Timeliness: within 3 months after the end of the reference quarter. Main data are collected from SL, MoF, CSD, LSC, other government agencies, banks and the BoL.	a) Report on the structure of bank assets and liabilities by maturity. Frequency: monthly. Timeliness: within 11 days after the end of the reference month. b) Report on the foreign exchange exposure account. Frequency: monthly. Timeliness: within 11 days after the end of the reference month. c) Report on maximum exposure. Frequency: monthly. Timeliness: within 11 days after the end of the reference month. d) Report on capital adequacy of the bank. Frequency: quarterly. Timeliness: within 11 days after the end of the reference quarter.
Collecting agents	BoL	SL	BoL, SL, ministries, other official agencies	BoL
Users	BoL	All interested users	All interested users	BoL
Description	The reserve base comprises liabilities specified by the BoL vis-à-vis residents (except the BoL and other CIs subject to the reserve requirements of the BoL) and non-residents as recorded in the monthly balance sheets of a credit institution. Information is collected electronically. Collected data are used for reserve requirement purposes only.	Data are collected by mail or electronically, and then compiled in MS Excel files. Financial accounts for 1997 – 2000 have been both submitted to Eurostat and published domestically.	The b.o.p. data are compiled and disseminated by the BoL. Data are first released on the BoL website and also published on hard copy. For more details, see the ECB publication <i>Accession countries: balance of payments/ international investment position statistical methods</i> , February 2002.	The data are used for the purposes of supervising CIs.

2 Monetary Statistics

2.1 Legal background and statistical standards

The text of the Law on the Bank of Lithuania can be found on the BoL website at www.lb.lt.

2.1.1 National legal aspects

According to the Law on Statistics, the BoL is responsible for managing official statistics within its areas of responsibility. Pursuant to Article 8 (9) of the Law on the Bank of Lithuania, the BoL collects monetary, banking and b.o.p. statistics, as well as data on Lithuanian financial and related statistics; implements standards on the collection, reporting and dissemination of the said statistics; and compiles the b.o.p. of the Republic of Lithuania.

Responsibility for general state policy regarding methodology and the organisation of statistics lies with SL.

2.1.2 Statistical standards

The basis for monetary statistics is *A Guide to Money and Banking Statistics in International Financial Statistics (Draft)*, IMF, 1984. The methodological framework reflects concepts and standards that are broadly consistent with the *Monetary and Financial Statistics Manual*, IMF, 2000. However, the sectorisation of economic units does not fully comply with international statistical standards. The differences are shown in Table 3.

In the area of monetary statistics data dissemination, Lithuania applies the IMF Special Data Dissemination Standard.

Table 2

Sector classification	Sectors	Definitions	
Money-creating sector	BoL	Central bank	
	Deposit money banks	Commercial banks and branches of foreign banks	
	Other banking institutions	Credit unions	A credit union is a credit institution organised on a co-operative basis which has been established independently by natural persons
		Other	The Central Credit Union of Lithuania. The CCUoL is a credit institution organised on a co-operative basis, established by credit unions and the Government, and functions as a co-operative society.
Money-holding sector	Non-bank financial institutions	Other financial institutions	
	Local government	A municipality is an administrative unit of the territory of the state whose residents have a right of self-government guaranteed by the state	
	Non-financial public enterprises	Enterprises under the absolute control of governmental units	
	Private sector	Non-financial private enterprises	Non-financial private sector All enterprises other than those under the absolute control of governmental units. This includes sole proprietorships.
		Private households	Natural persons only
Non-profit institutions		All non-profit organisations	
Money-neutral sector	Central government	Central government, including counties	
	Social security funds	Social and health insurance funds	
Non-resident sector	Non-residents	Legal entities and natural persons who reside and operate in another country	

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

At present the economic territory of the Republic of Lithuania is not defined in legislation. The concept of economic territory used for the purpose of money and banking statistics includes:

- the geographic territory administered by the Government of the Republic of Lithuania;
- the national airspace, territorial waters and the continental shelf lying in international waters over which the Republic of Lithuania enjoys exclusive rights;
- territorial enclaves – i.e. geographic territories situated in the rest of the world and used, under international treaties or agreements between states, by general government agencies of the Republic of Lithuania (embassies and consulates).

The economic territory of the Republic of Lithuania does not include extraterritorial enclaves within Lithuania (i.e. parts of the geographic territory of the Republic of Lithuania used by general government agencies of other countries or by international organisations under international treaties or agreements between states).

The classification of economic units into residents/non-residents is based on the provisions of the IMF *Balance of Payments Manual* (fifth edition). Branches/subsidiaries of Lithuanian banks located abroad are regarded as non-residents, whereas branches of foreign banks located in Lithuania are regarded as residents for the purposes of money and banking statistics.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

Sectors in monetary statistics for Lithuania are presented in Table 2.

Borderline cases are as follows:

- sole proprietorships are classified as non-financial private enterprises;
- all non-profit institutions are included without further distinction in one category;
- the non-financial public enterprises sector includes only those enterprises that are 100 percent owned by government.

2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

A comparison between the sectors in the Lithuanian monetary statistics and the ESA 95 is provided in Table 3.

Areas where the sectors of the national economy and the ESA 95 diverge are as follows:

- sole proprietorships are classified as non-financial private enterprises, although they should be classified as households according to the ESA 95;
- all non-profit institutions are included without further distinction in one category, even though only non-profit institutions serving households should be separately identified;
- the sectorisation of the public and private sectors is based on the Law on Public Enterprises, which establishes that public sector enterprises are the entities under absolute control of the governmental units; the non-financial public enterprises sector therefore includes only those enterprises that are 100 percent owned by government.

Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification
Money-creating sector	BoL		S121 Central bank	S12 Financial corporations (part)	Money-creating sector
	Deposit money banks		S122 Other monetary financial institutions		
	Other banking institutions	Credit unions			
Other					
Money-holding sector	Non-bank financial institutions		S123 Other financial intermediaries, except insurance corporations and pension funds	S12 Financial corporations (part)	Money-holding sector
			S125 Insurance corporations and pension funds		
			S124 Financial auxiliaries		
	Non-financial public enterprises		S11 Non-financial corporations (part)		Money-neutral sector
	Private sector	Non-financial private enterprises		S14 Households	
		of which: sole proprietorships			
		Private households			
	Non-profit institutions		S15 Non-profit institutions serving households		
			S11 Non-financial corporations (part)		
			S12 Financial corporations (part)		
			S1313 Local government (part)	S13 General government	
	Money-neutral sector	Central government	S1311 Central government		
		Social security funds	S1314 Social security funds		
Money-holding sector	n/a	S1312 State government	S13 General government	Money-holding sector	
	Local government	S1313 Local government (part)			
Non-resident sector	Non-residents		S211 EU countries	S2 Rest of the world	Non-resident sector
			S21 European Union		
			S212 Institutions of the EU		
		S22 Third countries and international organisations			

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

According to Article 42 of the Law on the Bank of Lithuania, "A credit institution shall be a bank, another legal person or a subdivision of a foreign credit institution whose activities on the basis of legal acts are regarded as activities of credit institutions, and which hold a license or permission issued by the Bank of Lithuania to engage in certain operations provided for in laws".

In Lithuania the list of CIs consists of commercial banks, branches of foreign banks, credit unions and the Central Credit Union of Lithuania (CCUoL).

A commercial bank is an enterprise operating on the basis of share capital, which accepts deposits and other repayable funds and extends loans and assumes all the risks and responsibilities related thereto, and has been licensed by the BoL to engage in these and in other activities as specified by Article 25 of the Law on Commercial Banks (adopted on 21 December 1994, No. I-720; last amended on 20 June 2002, No. IX-978).

A credit union is a credit institution organised on a co-operative basis which has been established independently by natural persons and which pools the money of its members with the aim of satisfying their business and social needs, as provided for in its bylaws, by advancing loans to members and assuming the related risks and liabilities, and which has been licensed by the BoL to engage in these and in other activities as specified by Article 7 of the Law on Credit Unions (adopted on 21 February 1995, No. I-796; last amended on 20 June 2002, No. IX-979).

The CCUoL is a credit institution organised on a co-operative basis, established by credit unions and the Government. It operates on the basis of share capital and discharges the

functions of supporting the liquidity and restoring the solvency of credit unions; takes deposits and other repayable funds; and grants loans and assumes the risks and responsibilities related in this context. The CCUoL has been licensed by the BoL to engage in these and other activities as specified by Article 5 of the Law on the Central Credit Union (adopted on 18 May 2000, No. VIII-1682).

2.3.2 Definition of other monetary institutions

Not applicable.

2.3.3 Central government units with deposit liabilities included in national measures of money

Not applicable.

Table 4

As at end-December 2002

Institutions	Number of institutions
National central bank	1
Credit institutions	68
Commercial banks	10
Branches of foreign banks	4
Credit unions	53
Central credit union	1
Money market funds	0
Other institutions	0
Total	69

2.4 Banking business: general deposits/other products

Banks in Lithuania offer their customers all categories of banking services according to the activities listed in Article 25 of the Law on Commercial Banks. Banks have the right to:

- take deposits and other repayable funds to the clients' accounts opened in the bank and to manage these accounts;

- extend and take loans;
- issue financial pledges, guarantees, and other security obligations;
- issue payment documents (cheques, letters of credit, bills, etc.) and carry out transactions with them;
- carry out transactions with securities (shares, bonds, etc.);
- carry out operations in foreign currencies;
- buy and sell precious metals;
- issue and manage credit instruments;
- receive valuables from clients for safe keeping, and let safe deposit boxes of the bank vaults to clients for the safekeeping of valuables and documents;
- provide services and consultations on issues concerning banking activities, finance and investment management for clients; and
- carry out other operations established by the legal acts of the BoL.

The Civil Code of the Republic of Lithuania (adopted on 18 July 2000, No. VIII-1864) distinguishes between demand deposits and time deposits; however, by agreement parties may use other types of deposits. CIs offer their customers bank accounts, demand deposits, time deposits, mixed deposits and savings deposits, and overnight deposits. The main types of credit product include overdrafts, short-term, medium-term and long-term bank loans, and the purchase of trade debts (account receivables).

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

The balance sheet report provides end-of-month stock data on assets and liabilities. The main asset items are as follows: claims on central banks, claims on banks and other credit and financial institutions, loans to the non-financial sector, securities and other assets. The main liability items are as follows: liabilities to central banks, liabilities to banks and other credit and financial institutions, deposits and letters of credit of the non-financial sector, special and lending funds of international organisations and governments, reserves and bank capital.

2.5.2 Breakdown of the main balance sheet items by maturity, counterparty and currency

All data on assets/liabilities are broken down first by residency (residents, non-residents) and then by currency (LTL, foreign currency). Interbank and financial institutions' claims and liabilities are broken down by instrument (demand deposits, time deposits, overnight deposits, repurchase agreements and loans). Loans extended to the financial and non-financial sectors are broken down by maturity: short-term (up to one year) and long-term. Debt securities and equities on the asset side are broken down by issuer (Treasury bills, government securities with a maturity of over one year, government securities for the restructuring of banks, bank securities, financial institutions' securities and private sector securities). The counterparties are broken down as presented in Table 2.

Box 1

Measure M1 (money) includes:

- currency in circulation;
- demand deposits in national currency.

Measure M2 (broad money) includes:

- M1 (money);
- time and savings deposits in national currency;
- deposits in foreign currencies.

2.6 National measure(s) of money: definitions and remarks

The classification of domestic credit is as follows:

2.6.1 National definition of money and instrument breakdown of monetary aggregates

• By sector:

Lithuania compiles and disseminates the monetary aggregates M1 and M2.

See Box 1.

- central government;
- social security funds;
- local government;
- non-financial public enterprises;
- non-financial private enterprises;
- private households;
- non-profit institutions;
- non-bank financial institutions.

2.6.2 Sector allocation of holdings of negotiable instruments

It is not possible to distinguish holders of negotiable instruments from the data provided by CIs.

2.7 Counterparts of money

• By type:

The counterparts of money in the banking survey are net foreign assets, domestic credit and other net items.

See Box 2.

- Treasury bills;
- government bonds;
- loans and advances;

Box 2

Net foreign assets

Foreign assets on a net basis, including the IMF credit to central government.

Domestic credit

Counterparts are broken down into claims on central government and social security funds (on a net basis), claims on local government, claims on non-financial public enterprises, claims on the private sector, and claims on non-bank financial institutions.

Other net items

- discounted bills;
 - debt securities;
 - equities.
- By maturity:
 - short term (up to one year);
 - long term.
 - By currency:
 - in LTL;
 - in foreign currency.

administration, enterprises, institutions and organisations of the Republic of Lithuania must present to the Bank of Lithuania all information required for the performance of its functions.”

The BoL, as one of the institutions responsible for managing official statistics, collects, processes, compiles, analyses and disseminates statistical information.

2.9.2 Identification of the reporting population (reporting coverage)

The reporting population covers all operational CIs.

See Table 5.

2.8 Reserve money

In Lithuania the published monetary base includes currency outside the BoL, the reserves of commercial banks in LTL and required reserves in foreign currencies deposited with the BoL.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

Article 54 of the Law on the Bank of Lithuania states that “bodies of state authority and

2.9.3 Reporting schemes

The balance sheet reports of CIs managed by the CISD of the BoL are the main data source for monetary statistics. These balance sheet reports are provided to the BoL by all operational commercial banks, branches of foreign banks, credit unions and the CCUoL. The MPD, which is responsible for the compilation of monetary statistics, has access to the database of the balance sheet reports.

Banks provide a complete balance sheet report form (form No. 6001) electronically

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
National central bank	1	100	32.6
Credit institutions	68	100	67.4
Commercial banks and branches of foreign banks	14	100	67.1
Credit unions and central credit union	54	100	0.3
Money market funds	0	-	-
Total	69	-	100

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within eight days after the end of the reference month. Credit unions provide a complete balance sheet report form (form No. 7051) electronically within seven days after the end of the reference quarter. The CCUoL provides a complete balance sheet report form (form No. 8051) electronically within eight days after the end of the reference month.

According to the Resolution of the Board of the BoL on Key Principles for the Preparation of Credit Institutions Financial Accounting and Accountability (adopted on 15 August 1996, No. 230; amended on 5 September 2002, No. 114), the financial accounting and reporting of CIs is governed by the following: the Law on Accounting; legislation by the Government and the BoL defining financial accounting and compilation of the reports; and the IAS.

The reporting data are provided in LTL. Balance sheet items denominated in foreign currencies are converted into LTL at the official exchange rates on the reference date.

The accounting of investments into securities is regulated by the Resolution of the Board of the BoL on General Regulations on the Accounting for Investment in Securities in Credit Institutions (adopted on 20 November 1997, No. 253), which lays down the classification of securities and applicable accounting rules. CIs are responsible for choosing their own accounting policy for securities.

2.9.4 Special reporting procedures for the national central bank

The accounting balance sheet of the BoL is available on a daily basis.

Accounting and recording practices are based on the ECB recommendations, the IAS and the BoL's internal accounting provisions.

The balance sheet items denominated in foreign currencies are converted into LTL at

the official exchange rate on the reference date. Gold holdings are revalued once a month on the last working day at the value of London gold price fixing. Marketable securities are revalued once a month on the last working day, using the mid-market prices prevailing on the secondary markets.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

The bulk of monetary statistics are collected monthly on an end-of-period basis. Monthly data for the balance sheets of credit unions are estimated from the most recent quarterly data by carrying forward. The balance sheet of the BoL is compiled on a daily basis for internal use.

2.10.2 Revisions

The data for the latest reporting date for the monetary aggregates published in the Monthly Bulletin of the BoL are provisional and marked with an asterisk, but are rarely revised. In principle, other published monetary statistics are final. In the event of substantial methodological changes, revised data are commented on in explanatory footnotes.

2.10.3 Derivation of flow statistics

Breaks in series can be caused by changes in the reporting population, changes in reporting instructions or changes in methodology. Changes in the reporting population only occur when a newly established credit institution is included in the list, when a credit institution under bankruptcy is removed from the list, or in the case of a merger between banks. No reclassification adjustments are made for any types of break in stock series.

Assets and liabilities denominated in foreign currencies are converted into LTL by the reporting institutions at the official exchange rates at the end of the period. Stock data are not adjusted to eliminate the effects of changes in exchange rates.

Flow statistics from the balance sheet of the BoL are calculated as the difference between stocks at the end of the current and the previous months minus reclassifications and minus exchange rate changes. These flow statistics are only used for internal analysis and are not officially published.

Flow statistics are not calculated from the balance sheet of the CIs. Some information about major reclassifications is gathered directly from CIs. End-of-month data from the balance sheets of the CIs which have joined or left the reporting population are also available for internal use.

2.10.4 Seasonal adjustments

Officially published data on monetary aggregates and its counterparts are not seasonally adjusted. The possibility of official publication is being investigated.

2.11 Publication

2.11.1 First release of data (including the medium)

The BoL releases analytical accounts for its own use (the analytical balance sheet of the BoL) and analytical accounts for the banking sector (the banking survey) to the media in the form of a press release (hard copy), and publishes them at the same time on its website in the form of a time series. The consolidated balance sheet of credit institutions is also published as a time series on the BoL website.

Monthly data from the analytical balance sheet of the BoL are disseminated within two weeks of the end of the reference period. Monthly data from the banking survey are disseminated within one month of the end of the reference period. The precise dates of data dissemination are given in the advance release calendar on the BoL website and in each Monthly Bulletin of the BoL for the subsequent four months.

2.11.2 Core weekly/monthly publications

The banking survey, the monetary aggregates, the analytical balance sheet of the BoL and the consolidated balance sheet of credit institutions are also published in the Monthly and Quarterly Bulletins of the BoL (both are on hard copy and in printable document format on the BoL website at www.lb.lt). The Monthly and Quarterly Bulletins are published within one month and two months respectively of the end of the reference period.

2.11.3 Other statistical publications

The banking survey, the monetary aggregates, the analytical balance sheet of the BoL and the consolidated balance sheet of credit institutions are published by the BoL in the Banking Statistics Yearbook (on hard copy and in printable document format on the BoL website at www.lb.lt).

The banking survey, the analytical balance sheet of the BoL and the consolidated balance sheet of deposit money banks are published by SL in the Statistical Yearbook of Lithuania (hard copy).

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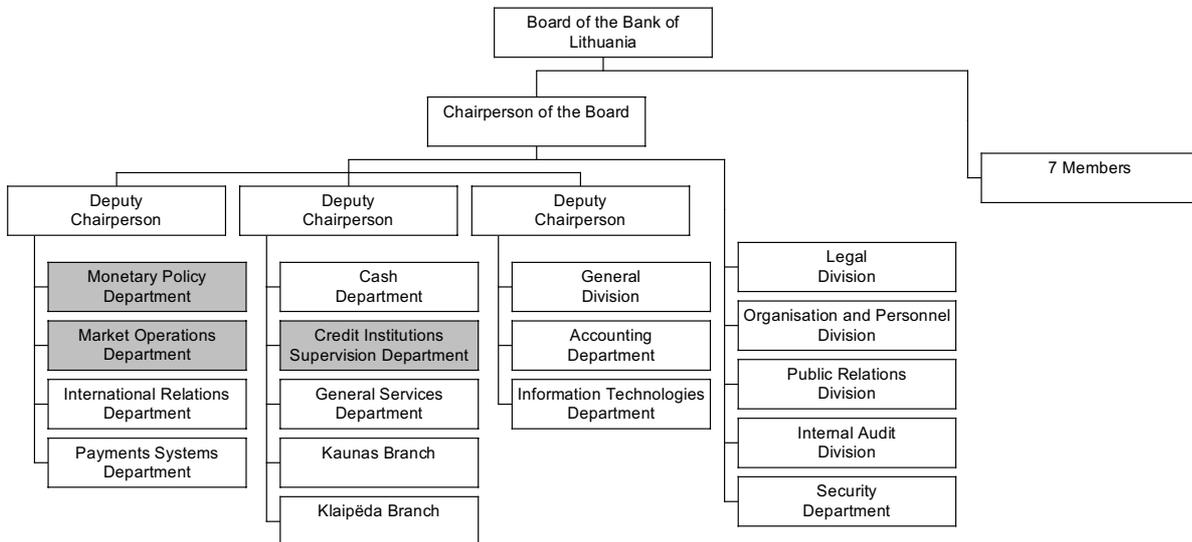
3 Contacts at the Bank of Lithuania

Any queries concerning the issues described in this country chapter should be addressed to:

Monetary Statistics and Analysis Division,
Monetary Policy Department,
Bank of Lithuania
4 Totoriu St, LT-2629 Vilnius, Lithuania
Phone: +370-5-268-01-19
Fax: +370-5-268-01-44
E-mail: gdaugela@lb.lt;
rkaraliunas@lb.lt

Annex I

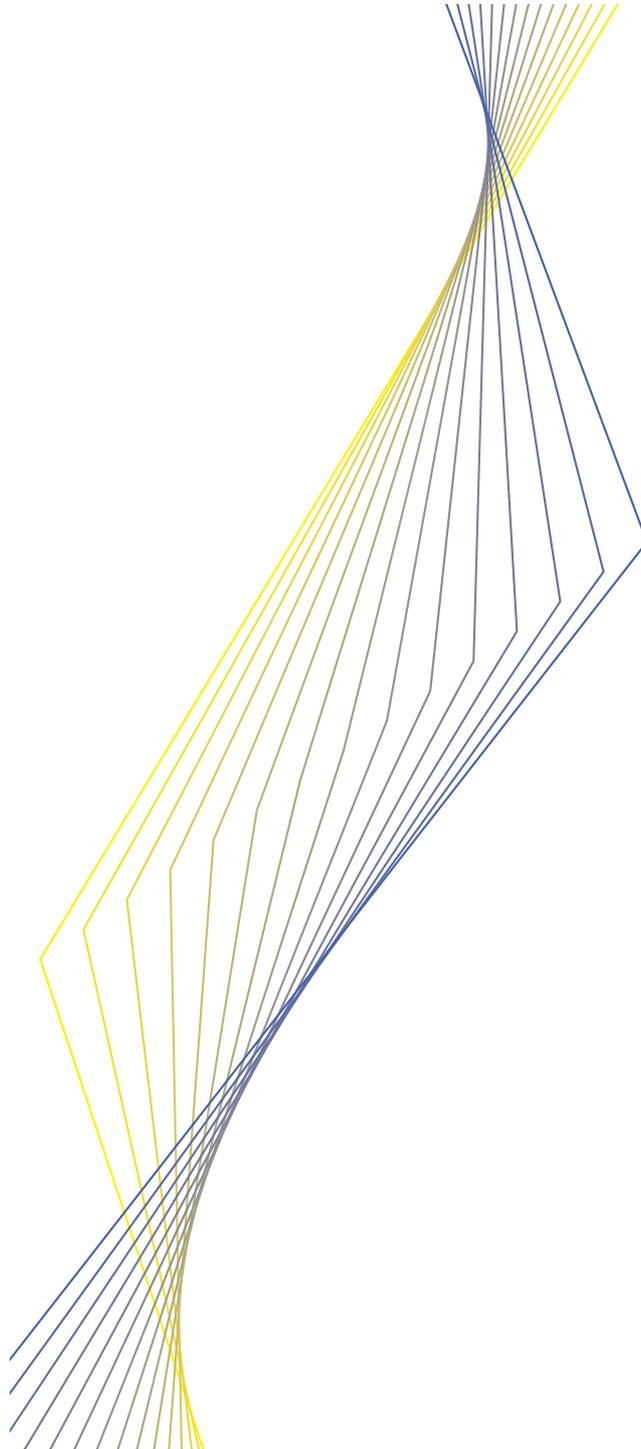
Organisation chart of the Bank of Lithuania



Lithuania



EUROPEAN CENTRAL BANK



Malta

List of abbreviations

b.o.p.	balance of payments (BoP Office = Balance of Payments Office)
CBM	Central Bank of Malta
DMBs	deposit money banks
ESA 95	European System of Accounts 1995
GFS	government finance statistics
IAS	International Accounting Standards
IBIs	international banking institutions
IMF	International Monetary Fund
MBA	Malta Bankers' Association
MFSA	Malta Financial Services Authority
MMFs	money market funds
MSE	Malta Stock Exchange
MTL	Maltese liri
NSO	National Statistics Office
OFIs	other financial intermediaries
SDRs	Special Drawing Rights
ECB	European Central Bank

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

Annex I shows the organisational structure of the Central Bank of Malta (CBM). The Governor, the Deputy Governor and five Deputy General Managers are responsible for the following divisions within the Bank: Economics Division, Finance and Banking, Financial Markets, Financial Stability and Resource Management. The Legal Office falls under the direct responsibility of the Deputy Governor.

Responsibility for policy and general administration at the CBM lies with the Board of Directors, which is composed of the Governor (as Chairperson), the Deputy Governor and three other Directors. The Executive Management Committee is responsible for all decisions relating to the CBM's internal management and administration. This Committee is composed of the Governor (as Chairperson), the Deputy Governor and the five Deputy General Managers.

See Annex I.

I.1.2 Organisation of the statistical work at the national central bank

The main statistical work is carried out by the Statistics Office within the Economic Research Department. Statistical work in connection with the compilation of balance of payments (b.o.p.) data is undertaken by the Data Compilation Section within the Balance of Payments Office (BoP Office), while external debt statistics are collated by the External Debt Section within the BoP Office. The Financial Stability Office compiles macro-prudential and financial soundness indicators, while the Financial Markets Division is responsible for collecting financial data related to the money and capital markets

and monetary policy operations data. Annexes 2, 3 and 4 show the organisation charts of the Statistics Office, the BoP Office and the Financial Stability Office respectively.

The Statistics Office is responsible for data collection, processing, dissemination and statistical research related to (a) monetary and financial statistics, and (b) other general economic statistics. The Monetary and Financial Statistics Section within the Statistics Office is involved in the compilation of primary data on money and banking statistics, and thus plays a role in the preparation of such data for the CBM's Quarterly Review and Annual Report, the CBM's Monetary Policy Advisory Council and the Governor's briefing committee, and the publication of the Monthly Release on Money and Banking Statistics. The Section is also responsible for disseminating statistical information to other research analysts within the Economic Research Department, international institutions, the National Statistics Office (NSO), selected government departments and the media. A unit within this Section is responsible for bringing monetary statistical methodology in line with international standards.

The bulk of the monetary information is retrieved from the statutory returns received from credit institutions in accordance with the Banking Act of 1994. The international (offshore) banking institutions' returns are received from the Malta Financial Services Authority (MFSA), while the CBM's own balance sheet details are received from the Financial Control Office.

Once these schedules have been consolidated, a banking survey is compiled and the main monetary indicators are retrieved. A thorough verification of this information follows. Subsequently, the main monetary indicators are disseminated to other departments within the Bank and to external sources. An abridged version of the monetary data is released via the CBM's

website and the local press, and is published in the CBM's official publications.

Data on financial institutions are collected from the financial institutions licensed under the Financial Institutions Act of 1994. The Statistics Office has also been collaborating with the MFSA to collect data in respect of the remaining financial institutions as defined in the ESA 95, i.e. including the activities of locally-based collective investment schemes. Discussions were also held with the MFSA to commence collating quarterly data from locally-based insurance companies. Other financial information, such as selected data on securities issued, is mainly received from the Financial Markets Division of the CBM. Additional financial statistics are received from the Malta Stock Exchange (MSE).

The Statistics Office's General Economic Statistics Section is engaged in the compilation of statistics on the domestic economy, government finance statistics, exchange rates and selected international indicators. It is also responsible for compiling annual government finance statistics (GFS) for the IMF, a task taken over from the Ministry of Finance. The Statistics Section relies heavily on data received from the NSO, government departments and local and foreign publications. Much information is subsequently diffused locally and abroad. A unit within this Section has been assigned tasks on statistical methodology related to the domestic economy and the compilation of the financial accounts in collaboration with the NSO.

The Financial Stability Office compiles macro-prudential and financial soundness indicators based on data submitted by credit and financial institutions as well as other financial intermediaries. Data are mainly drawn from the financial institutions' balance sheet and profit and loss accounts, and other macro-economic statistics.

The Financial Markets Division is responsible for collecting financial data related to the money markets, and capital markets and monetary policy operations data, i.e. open market operations, standby facilities and

reserve requirements. Data on the money and capital markets are mostly obtained from the Malta Stock Exchange.

See Annexes 2, 3 and 4.

1.2 Legal background

The Central Bank of Malta Act (CBM Act) of 1967 established the CBM as a corporate body with a distinct legal personality. The CBM was formally established with the promulgation of a Legal Notice in April 1968 which brought most sections of the CBM Act into force. On 10 September 2002 Parliament approved amendments to the Central Bank of Malta Act. These amendments gave the CBM greater operational flexibility and conferred additional powers in the compilation of statistics from reporting agents.

Section 24A of the Act obliges reporting agents as defined in the Act to provide the CBM with such information as the Bank may consider necessary to carry out its functions under the Act. Section 24B permits the CBM to issue directives providing for the definition and imposition of its statistical reporting requirements, establishes the standards for the transmission and accuracy of statistical information, and specifies the conditions under which the right to verify or to carry out the compulsory collection of statistical information may be exercised.

1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The CBM plays an important part in economic policy-making and is a key agent in the Maltese financial sector. It has two main objectives: to maintain price stability and to ensure a sound financial system, thereby contributing to sustainable economic development.

1.3.1.2 General responsibilities of the national central bank

The CBM is responsible for the conduct of monetary policy in Malta. It also plays an important part in the formulation of exchange rate policy, which is the joint responsibility of the Bank and the Government. The CBM is also responsible for promoting a sound financial structure, ensuring both the overall stability of the domestic financial system and an orderly capital market in Malta. With effect from 1 January 2002, the responsibility for the supervision and regulation of credit and financial institutions was transferred from the CBM to the MFSA.

As banker to the Government and to the domestic banking system, the CBM provides various banking services to government departments, public sector corporations and credit and financial institutions. The CBM also advises the Government and public corporations on financial matters and provides a limited range of banking facilities to its own staff.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The fulfilment of the CBM's statutory functions – to conduct its monetary policy effectively, to promote a sound financial structure in Malta and to advise the Government on economic and financial matters – implies constant analysis of the economic and financial situation both locally and abroad. These functions are carried out mainly on the basis of the macroeconomic information compiled by the Statistics Office.

Apart from the compilation of monetary, financial and general economic statistics as described above, the CBM compiles data on the monetary base, which consists of

currency in issue and banks' deposits with the CBM, including required reserves. Moreover, according to the CBM Act the CBM may require banks carrying on the business of banking to maintain reserve deposits with the Bank. At present, reserve deposit requirements are equivalent to 4% of the average of the opening and closing deposit liabilities of the reference month. Information on the banks' deposit liabilities is collected by the Financial Stability Office, while the Financial and Banking Division and the Financial Markets Division administer the banks' reserve deposit accounts.

In the area of financial stability, the Financial Stability Office compiles data and carries out research and analysis on the overall stability of the domestic financial system, with particular emphasis on financial soundness indicators.

The BoP Data Compilation Section compiles monthly b.o.p. statistics on a cash basis settled through the local banking system. It also collaborates with the NSO to compile the quarterly and annual accrual b.o.p. and the international investment position. The External Debt Section within the BoP Office compiles the external position of the private and public sectors.

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

The Malta Statistics Authority Act adopted in October 2000 makes provision for the establishment of a Statistics Authority to regulate the collection, compilation and publishing of official statistics. The Statistics Authority supervises the NSO. The latter is responsible for the collection, compilation, extraction and release of official statistics relating to demographic, social, environmental and economic conditions and general activities. It is thus responsible for compiling and publishing the national accounts and other macroeconomic indicators.

Malta

The Statistics Office relies heavily on data received from the NSO and various government departments such as the Treasury and the Ministry of Finance. The MFSA and the MSE are other important partners, as they provide the Statistics Office with substantial statistical information. The General Economic Statistics Section relies on the voluntary collaboration of other major public sector authorities such as the Malta Tourism Authority and the Employment and Training Corporation for the provision of tourism data and labour market data, respectively. Data are received by the External Debt Section from non-financial companies for the compilation of external debt statistics.

The CBM and the NSO co-operate in compiling the b.o.p. While the NSO is responsible for compiling the b.o.p. on an accruals basis at quarterly and annual intervals, the CBM's task is to compile the cash-based b.o.p. on a monthly basis. The NSO also compiles b.o.p. data on a regional basis. The compilation of b.o.p. data is in line with the fifth edition of the IMF's BoP manual.

Through the provisions of the MFSA Act as amended in 2002, with effect from 1 January 2001 the MFSA became responsible for prudential supervision. For this purpose it compiles monthly and quarterly information

(the latter in more detail) according to the schedules received under the Banking and Financial Institutions Acts. Data gathered comprise information on own funds, large exposures, solvency ratios, capital adequacy, liquidity requirements and other statutory information on various on-balance-sheet and off-balance-sheet items. The compilation of such information is generally in line with the standards set in the Basel Accord and the EU Directives.

The MFSA is also responsible for advising the Government on financial services and related matters, and for supervising insurance and investment services. This authority plays an important role in data compilation, since it provides the Statistics Office of the CBM with information pertaining to the financial sector.

The Statistics Office has commenced work on the compilation of Malta's financial accounts on an annual basis in conjunction with the NSO. The first results are expected in early 2003 and will be submitted to Eurostat.

1.3.2.3 An overview of statistical data collection and compilation

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>Monthly/quarterly information as per statutory financial information received from credit institutions no later than 15 days following the reference period. The statements detail the financial position of these institutions in a balance sheet, profit and loss accounts and the appropriation account. In addition, a series of additional descriptive tables contain more detailed information on selected balance sheet items such as investment securities, trading and other investments, loans and advances and deposit liabilities.</p> <p>CBM balance sheet (monthly) within one week of the reference month. The main items on the assets side of the balance sheet comprise total external assets, IMF-related assets, holdings of securities, tangible fixed and other remaining assets. The main items on the liabilities side of the balance sheet include banknotes and coins in circulation, IMF-related liabilities, deposits of the banks, government and others, other liabilities, capital and reserves.</p>	<p>Interest rates on:</p> <ul style="list-style-type: none"> • Deposits (monthly, as per statutory data received from credit institutions). • Loans (monthly, as per statutory data received from credit institutions). • Official interest rates (received on a real-time basis). • Money and capital market yields (weekly). 	<p>Treasury bills (weekly/monthly).</p> <p>Government stocks (monthly, on request).</p> <p>Listed corporate bonds and equity (quarterly, on request).</p>
Collecting agents	CBM	CBM	Malta Stock Exchange CBM
Users	CBM	CBM	CBM
Description	See further details of the banks' stock positions in Section 2.9.3.	<p>Deposits (various maturities): weighted average interest rate; minimum rate; maximum rate.</p> <p>Loans (various maturities): weighted average interest rate; minimum rate; maximum rate.</p> <p>Rates on the discount, overnight and repo facilities.</p> <p>Interbank offered rates; yields on Treasury bills and government bonds.</p>	<p>Treasury bills (various maturities).</p> <p>Government stocks (various maturities).</p> <p>Listed corporate bonds and equities (various maturities).</p>

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	Monthly details on deposit liabilities constituting the reserve base on separate forms (by no later than ten days following the reference period).	The CBM assists the NSO in compiling financial accounts. The NSO is responsible for the compilation of such accounts.	Monthly b.o.p. (on a cash basis) from banks within four weeks of the reference period. Joint NSO/CBM compilation of quarterly b.o.p. (on accrual basis) within one quarter. Quarterly/annual external position of selected sectors within one quarter/year.	Assets acquired in satisfaction of debt, investments in other banks, companies or groups of connected persons, contingent liabilities, pledged assets, past due and doubtful loans and advances, classification of the lending portfolio, limit excesses, rescheduled loans, loans to directors and staff members, shareholders owning more than 5% of shares, detailed profit and loss accounts, interest rate risk exposure and "shock scenario", an overall foreign currency open position exposure, classified also by currency (as per statutory financial information), other data collected during on-site inspections.
Collecting agents	Financial Stability Office	n.a.	CBM (monthly), CBM and the NSO, jointly.	MFSA
Users	Financial Control Office, Statistics Office, Financial Markets Division (CBM).	n.a.	CBM, NSO, local government agencies and foreign institutions.	Financial Stability Office (CBM)
Description	Monthly data on specific deposit liabilities. Information received by post or by messenger.	n.a.	Monthly data on Excel spreadsheets as e-mail attachments and transferred to Aremos. Quarterly data through survey data (stored in Paradox).	In Excel format on floppy disk via courier, messenger or by post. A signed hard copy.

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

The CBM is authorised to collect data from banks under the CBM Act of 1967. Section 24B of the amendments to this Act stipulates that the CBM may inter alia issue directives providing for the definition and imposition of its statistical reporting requirements. The Bank is also authorised to verify the accuracy and quality of the statistical information submitted. When it deems it necessary in

carrying out its functions under the Act, the Bank shall prepare and publish statements, consolidating and/or aggregating statistical information.

All credit and financial institutions in Malta are required to submit statutory statements on their financial position to the CBM. Monetary statistics are taken from the statutory Banking Directive No. 6. The CBM Act can be accessed via a link on the CBM's website to the "Laws of Malta" section of the Ministry of Justice .

2.1.2 Statistical standards

The methodology underlying the compilation of Maltese monetary and banking statistics is generally consistent with internationally agreed concepts, definitions and classifications, as published in the IMF's "A Guide to Money and Banking Statistics in International Financial Statistics" (1984). Details of the applied concepts and methodologies can be found in Section 2.9.3. In mid-2003, these standards will be harmonised with the ESA 95 and the latest ECB standards in the field of money and banking statistics.

2.2 Concepts and definitions

In mid-2000 the CBM decided to adopt a strategy to revise its bank returns, concepts and methodologies so as to conform to ECB Regulations, the ESA 95 and the IMF's Monetary and Financial Statistics Manual of 2000. This strategy specified that the period from September 2000 to March 2001 would be dedicated to the training of new staff, to methodological research and to the formulation of a new draft summary balance sheet. Subsequently, the summary balance sheet will be introduced to the local financial sector by a technical committee created specifically for this task, comprising representatives of the financial sector, the Malta Banks' Association, the MFSA, the NSO and the MSE. The creation, presentation and implementation of the complete set of new schedules will be take place between mid-2001 and mid-2003.

2.2.1 Statistical definitions: economic territory and residency principles

The domestic territory refers to the geographical territory administered by the Government of Malta, which comprises the Maltese Islands.

Money and banking data are based on the classification of transactions by the residence

of the transactors. The residence criterion is based on the transactor's "centre of economic interest" within Malta. Thus, an institutional unit is defined as having a centre of economic interest in Malta when there exists some location within the economic territory of Malta on, or from which, the unit engages and intends to continue engaging, either indefinitely or over a finite but extended period of time, in economic activities and transactions on a significant scale. A guideline of one year or more is applied flexibly. Domestic branches of foreign banks are thus deemed to be residents of the country, while foreign branches of domestic banks are deemed to be non-residents. Diplomatic missions, embassies, consulates, military establishments and other foreign government entities located in Malta are treated as non-resident units.

There is currently only one international (offshore) bank operating in Malta. Offshore banks are considered to have a centre of economic interest in Malta and are therefore deemed to be resident units of Malta. Other offshore non-banking institutions are treated as resident or non-resident units, depending on whether they are considered to have a centre of economic interest in Malta. In legal terms, all licensed offshore business may continue in operation until 2004 at the latest.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

As shown in Table 2, the Maltese economy is broken down, for statistical and economic analysis purposes, into five sectors according to the primary activity of those sectors. The sectors comprise (a) banks; (b) government; (c) public (non-banking) corporations/authorities; (d) private corporate (non-banking); and (e) the personal (households) sector. The non-resident sector is classified separately.

Table 2

Sector classification	Sectors	Definitions
Money-creating sector	CBM	The CBM, which was set up by the CBM Act in 1967, is assigned the responsibilities normally assigned to the monetary authority of a country.
	Deposit money banks (DMBs)	DMBs are banks that offer liabilities in the form of deposits payable on demand, transferable by cheque or that can otherwise be used for making payments to non-bank enterprises and households.
	International banking institutions	IBIs are banks that offer international banking facilities primarily to non-residents and accept deposits from non-residents. Since such banking institutions are permitted to offer demand deposits to their customers, their assets and liabilities are consolidated with those of the DMBs in order to derive the statistical data for the <i>Banking Survey</i> .
Money-holding sector	Public (non-financial) corporations	Public (non-financial) corporations and authorities include all non-bank public sector corporations/authorities that are subject to control by the government, whereby “control” is defined as the ability to determine general corporate policy. In some cases, these corporations and authorities are specifically established by law. In other cases, control is established by applying the 50%+1 shareholding criterion.
	Private corporate (non-banking) sector	The private corporate (non-banking) sector consists of those resident non-bank companies under private ownership or control that are principally engaged in the production of market goods and non-bank services. These entities are collectively owned by shareholders that have the authority to appoint directors responsible for general management, and may be a source of profit or other financial gain to their owners. The main difference from the related ESA 95 definition is that this category incorporates collective investment institutions, insurance companies and exchange bureaus, as well as non-profit institutions.
	Household sector	The household sector includes resident individuals or groups of individuals.
Money-neutral sector	Central government	Central government comprises the central government and the local councils. The central government units covered by the general budget include the House of Representatives, the National Audit Office, the Office of the Ombudsman, the President’s Office, the Prime Minister’s Office and 13 ministries. For statistical purposes, local councils are not considered to be separate institutional units but as part of central government, as they are not able to raise funds or incur liabilities by borrowing on their own account. The main difference from the ESA 95-recommended general government sector (S13) is that the current government sector does not include the central government units covered by individual budgets. The latter are included in the public corporations/authorities sector.
Non-resident sector		All other units of an economy that do not meet the above criteria are considered to be non-resident units.

For prudential supervision purposes, the banking and financial sectors are further broken down into three main sectors. These comprise (a) credit institutions licensed under the Banking Act, (b) financial institutions licensed under the Financial Institutions Act (mainly exchange bureaus, but excluding collective investment institutions and insurance companies), and (c) international (offshore) banking institutions licensed under the MFSA Act (Cap. 330).

2.2.2.2 Comparison between the sectors of the national economy and the ESA 95.

The comparison between the sectors is illustrated in Table 3.

Table 3

National sector classification	National sectors	Sectors in the ESA 95		ECB sector classification
Money-creating sector	Central Bank of Malta (CBM)	S121 Central bank	S12 Financial corporations	Money-creating sector
	Deposit money banks (DMBs) International banking institutions (IBIs)	S122 Other monetary financial institutions		
Money-holding sector	n.a.	S123 Other financial intermediaries, except insurance corporations and pension funds	S11 Non-financial corporations	Money-holding sector
	n.a.	S124 Financial auxiliaries		
	n.a.	S125 Insurance corporations and pension funds		
	Classified as public (non-financial) or private corporate (non-banking) sector. OFIs are included in this category.			
	Household sector	S14 Households		
	n.a.	S15 Non-profit institutions serving households		
Money-neutral sector	Central government	S1311 Central government	S13 General government	Money-neutral sector
	n.a.	S1312 State/regional government		Money-holding sector
	n.a.	S1313 Local government		
	n.a.	S1314 Social security funds		
Non-resident sector ¹⁾		S211 EU countries	S2 Rest of the world	Non-resident sector
		S21 European Union		
		S212 Institutions of the EU		
		S22 Third countries and international organisations		

1) The non-resident sector is not classified. However, loans and deposits are classified in euro, other European Union currencies and in other major international currencies.

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

As indicated previously, the credit and financial institution definitions are not currently in use for the compilation of money and banking statistics. However, since the Banking Act of 1994 adopted the concept of a credit institution as stipulated in the First and Second Co-ordination Directives of the European Union, such definitions will eventually be used as the basis for classifying local banks as monetary financial institutions according to Community law. Thus, credit institutions falling under the Banking Act are granted general authorisation, which covers all the activities of the Second Co-ordination Directive. The principal activity of credit institutions is carrying out the “business of banking” in or from Malta. In turn, the business of banking is defined in the Banking Act as the receipt of deposits of money or other repayable funds from the public and the reinvesting or lending of such funds.

The international offshore banking institutions operating in the country are licensed and supervised by the MFSA under the MFSA Act (Cap. 330). In December 2002, there was one registered offshore banking institution. In 1994, matters relating to the establishment and supervision of international or offshore banks became the responsibility of the MFSA as appointed in terms of the MFSA Act of 1994. Consequently, all offshore companies are obliged to convert to onshore companies by 2004.

The MFSA also supervises insurance companies and investment licence holders. The latter include local and foreign-based collective investment schemes, mutual funds and certain investment partnerships and investment companies. At the end of December 2002, there were 58 licensed Malta-based and 311 overseas-based collective investment schemes, including sub-funds.

Unlike credit institutions, financial institutions are precluded from taking deposits or other repayable instruments from the public to fund their activities, although they can carry out various other kinds of banking activities. They are regulated by the Financial Institutions Act of 1994 and are not considered part of the money-creating sector. The activities of the financial institutions include lending, financial leasing, the provision of venture capital, foreign exchange dealing and underwriting. The majority of these institutions are exchange bureaus involved in administering means of payment and trading in foreign exchange.

There is one representative office operating in Malta. The business of representative offices is confined solely to liaison activities and does not include engaging in financial activities.

2.3.2 Definition of other monetary institutions

Four locally-based money market funds (MMFs) were operating in the country as at December 2002. The accounts of such units are not included in the process of compiling money and banking statistics.

2.3.3 Central government units with deposit liabilities included in measures of money

Central government units do not issue liabilities that are included in measures of money.

Table 4

As at end-December 2002

Institutions	Number of institutions
National central bank	1
Credit institutions	15
Credit institutions	14
International (offshore) banking institutions licensed under the MFSA Act	1
Other monetary institutions²	4
Total	20

2) *Comprising MMFs.*

2.4 Banking business: general deposits/other products

The deposit business of banks includes a broad range of interest-bearing and non-interest-bearing deposit services, such as current (demand) accounts with cheque facilities, savings deposits, term and foreign currency deposits. Savings deposits bear interest and, technically speaking, can only be withdrawn after due notice has been given. Banks also provide foreign exchange and money transmission services including the execution of payments by means of cheques, electronic transfers or direct credits.

Credit products offered by banks include all types of credit and/or mortgage loans to households, industry and other banks, whereby the maturity, interest repayment and interest schedules vary according to the customer. Banks may also place funds in short-term and long-term securities, equity shares and participations in associated or subsidiary companies.

Other products offered by the banks comprise financial leasing, the issuing of guarantees and commitments, trading for their own account or for the account of customers in money market instruments, operations in futures and options, interest rate instruments and transferable instruments and participation in share issues.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

The main items on the assets side of the CBM's balance sheet comprise (i) total external assets (including cash and bank balances, gold, placements with banks, securities and other foreign currency assets), (ii) IMF-related assets, (iii) holdings of securities (including Treasury bills and other domestic debt securities), (iv) tangible fixed assets and (v) remaining other assets

(including accrued interest receivable). The main items on the liabilities side of the balance sheet include (i) banknotes and coins in circulation, (ii) IMF-related liabilities, (iii) deposits of banks, government and others, (iv) other liabilities (including accrued interest payable), and (v) capital and reserves.

The main items on the assets side of the rest of the banking sector's balance sheets comprise (i) cash, uncleared effects and other balances, (ii) investment securities, (iii) repurchase agreements, (iv) trading investments, (v) loans and advances, (vi) tangible fixed assets, (vii) investments in other banks, companies or groups of persons, (viii) intangible assets, and (ix) other assets. On the liabilities side, the principal components include (i) deposit liabilities, (ii) securities sold under agreement to repurchase, (iii) CBM borrowings, (iv) other borrowed money, (v) secured indebtedness, (vi) subordinated loan capital, (vii) notes and debentures, (viii) redeemable preference shares, and (ix) other liabilities. Items in the shareholders' funds section comprise: (i) perpetual preference shares, (ii) ordinary shares, (iii) share premium accounts, (iv) reserves and (v) profit and loss accounts.

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

The CBM's classification of the main balance sheet items by instrument/maturity, counterparty and currency is as follows:

- (a) Placements with banks are subdivided by remaining maturity in the following manner: (i) up to one month, (ii) over one month up to three months, and (iii) over three months up to one year.
- (b) Investment securities are categorised by remaining maturity into: (i) up to three months, (ii) three months up to one year, (iii) over one year up to five years, and (iv) over five years.

- (c) Holdings of Treasury bills are classified by remaining maturity as: (i) up to one month, (ii) over one month up to three months, and (iii) over three months up to one year.
- (d) Holdings of domestic debt securities are broken down by remaining maturity into: (i) up to one year, (ii) over one year but under five years, and (iii) over five years.
- (e) Government and other deposits are categorised by Maltese lira or foreign currency. Furthermore, these are classified into (i) those repayable on demand and (ii) those repayable within three months.
- (f) The CBM's foreign currency holdings are grouped by main currency and by residency. These instruments are classified in detail and a monthly report is submitted to the IMF.

On the liabilities side of the balance sheet, deposits are categorised into those placed by banks, government and others. A similar classification has been implemented to categorise accrued interest payable. On the assets side, domestic securities and accrued income are also categorised in this manner. Foreign currency reserves are classified by residents of issuing currencies.

2.6 Measure(s) of money: definitions and remarks

2.6.1 Definition of money and instrument breakdown of monetary aggregates

The monetary aggregates currently published by the CBM are M1 and M3. M2 figures are compiled and forwarded to Eurostat, but they are not currently published. Data on the Monetary Base (M0) are also compiled.

Box I

Monetary Base (M0) comprises:

- currency in issue plus
- banks' deposits with the CBM.

Note that term deposits are not included in the definition of M0.

The **money supply M1**, or **narrow money**, comprises

- currency in circulation (banknotes and coins outside the banking sector), plus
- transferable deposits (i.e. demand deposits) of the non-bank domestic sectors (demand deposits exclude deposits from the Maltese Government, balances belonging to non-residents, as well as uncleared effects drawn on the CBM and the DMBs).

The **money supply M2** comprises

- M1 plus
- domestic savings and time deposits with an original maturity of up to two years.

Note that M2 is not used for monetary policy purposes, but it is compiled solely for statistical comparison purposes.

The **money supply M3**, or **broad money**, comprises

- M1 plus
- savings and time deposits belonging to residents (savings and time deposits are netted of government deposits, deposits belonging to non-residents and interbank balances).

Note that M3 is the broadest measure of money in use.

2.6.2 Sectoral allocation of holdings of negotiable instruments

Details of banknotes and coins issued by and paid into the CBM are published in the CBM's Annual Report. At present, the banks do not issue other types of freely transferable and negotiable instruments³. However, they do make use of bills payable instruments. For statistical reporting purposes, such bills are added to cash and uncleared effects, the latter being deducted from demand deposits. Repos and term deposits (instruments that are used in open market operations) are not freely transferable since these are transactions conducted specifically between the CBM and individual banks.

2.7 Counterparts of money

See Section 2.9.3 for the classification of credit to domestic residents by sector, type and maturity.

2.8 Reserve money

The official measure of the CBM's monetary liabilities is the Monetary Base (M0). M0 comprises currency in issue and banks' deposits with the CBM.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

The CBM is authorised to collect data from banks under Section 24B of the amendments to the CBM Act of 1967. The Bank also has the right to verify the accuracy and quality of the statistical information submitted and to carry out compulsory data collection. The Minister of Finance may issue regulations empowering the Bank to impose sanctions in case of non-compliance with legal requirements.

The MFSA is authorised to collect information from the international (offshore) banking institutions and Money Market Funds. Section 38A (1) of the amendments to the CBM Act states that the Bank may require the competent authority to pass to it any information in the possession of, or accessible to, the competent authority which is necessary for the Bank in the discharge of its duties under the Act or any other Act.

2.9.2 Identification of the reporting population (reporting coverage)

For the purposes of consolidating money and banking statistics, the CBM collects monthly and quarterly information from all institutions classified as DMBs and IBIs. With regards to the other financial institutions, apart from data on OFIs registered under the MFSA Act of 1994, the CBM also receives monthly information on collective investment institutions from the MFSA. Plans are at hand to commence receiving quarterly data on insurance companies from the MFSA, primarily for financial accounts purposes. The CBM collects monthly data from branches, agencies and offices in Malta of those credit institutions that are not incorporated in Malta. Although there are currently no credit institutions incorporated in Malta that have branches overseas, if such a case were to exist, then these overseas branches would also be obliged to submit regular information to the CBM.

2.9.3 Reporting schemes

Money and banking statistics are extracted from prudential supervisory reporting forms that are submitted to the CBM in accordance with Section 19 (4) of the Banking and Financial Institutions Acts of 1994. Branches,

3) For example, on one occasion a bank issued a marginal amount of certificates of deposits to depositors as pledges against loans.

Box 2

“**Total credit to the economy**”, or **total domestic credit** includes:

- net claims on the government (includes credit to government from the monetary authorities, DMBs and OBIs in the form of Treasury bills and government stock holdings, minus government deposit liabilities);
- claims on the private and public non-financial corporations (includes loans and advances to residents, bills discounted and investments in other securities in Malta by the DMBs, IBIs and OBIs, excluding interbank transactions); and
- government deposits (total government deposits held with the CBM and the banks. These include deposit liabilities belonging to the local councils).

“**Net foreign assets**” is the difference between foreign assets and foreign liabilities belonging to the monetary authorities and the rest of the banking system, including:

Foreign assets of the monetary authorities:

- gold holdings;
- the IMF’s reserve tranche position (less fund holdings of national currency); and
- Special Drawing Rights (SDRs) and convertible exchange and other foreign assets. At present, the CBM does not report any foreign liabilities.

Foreign assets of the rest of the banking system:

- holdings of foreign currency;
- claims on other foreign banks;
- uncleared effects drawn on banks abroad;
- money at call abroad;
- holdings of foreign government treasury bills;
- government and other securities;
- bills discounted;
- loans and advances to non-residents; and
- foreign securities purchased under agreements to resell and other foreign assets.

“Net foreign assets” excludes

Foreign liabilities:

- non-resident deposits;
- foreign securities sold under agreement to repurchase; and
- foreign subordinated loan capital and deposits of foreign banks.

“**Other items (net)**” comprises those instruments that are regarded as incidental to the function of the institutions as financial transactors, such as:

- capital accounts (including preference and ordinary shares, capital, foreign exchange valuation and undistributed profits and losses and provisions);
- net balances within a financial sub-sector (for the purposes of consolidation); and
- fixed and other unclassified assets or liabilities.

agencies and offices in Malta of credit institutions that are not incorporated in Malta are also obliged to fill in the requested forms. All credit institutions (licensed under the Banking Act of 1994), financial institutions (licensed under the Financial Institutions Act of 1994) and representative offices and offshore banking institutions (licensed under the MFSA Act) are obliged to submit periodic statements to the respective authorities. The above-mentioned institutions provide full balance sheets and details on the main components.

The monthly reporting statements have to be submitted to the CBM no later than the 15th calendar day following the reference period. The same deadline applies to quarterly statements. The international offshore banking institutions' returns are submitted to the MFSA on a monthly basis within one month of the reference period, while all quarterly returns are submitted within one month of the quarter-end.

The monthly statements for credit institutions and financial institutions are incorporated in Banking Directive BD06 of the Banking Act of 1994 and FID02 of the Financial Institutions Act of 1994 respectively. The statements detail the financial position of these institutions in a balance sheet, in profit and loss accounts and in the appropriation account. In addition, a series of additional descriptive tables contain more detailed

information on selected balance sheet items, such as investment securities, trading and other investments, loans and advances and deposit liabilities (see below).

The banking returns submitted to the MFSA include a balance sheet, with additional details on loans and advances classified by size and interest rate, and deposits by ownership and maturity. Additional quarterly information comprises details on core and supplementary capital, the profit and loss account and details on provisions for bad and doubtful debts. Operations in deposits and loans are classified by principal currency. This categorisation includes details on operations in euro, other European Union currencies and in other major international currencies. Investment securities are categorised by principal local or foreign issuer.

Credit institutions are expected to prepare all returns on an accruals basis and in accordance with the requirements of the International Accounting Standards (IAS). However, for statistical purposes, net foreign assets are also shown on a cash basis. Money and banking data collected are stock data, i.e. data on outstanding balances at the end of the month or quarter. Assets and liabilities are reported at book value. In the case of investment securities, the book value includes the amortisation of premia and the accretion of discounts on securities purchased at other than par or face value. Investment securities are also reported at

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
National central bank	1	100	12
Credit institutions	15	100	88
Credit institutions	14	100	84
International (offshore) banking institutions licensed under the MFSA Act	1	100	4
Other monetary institutions	0	-	-
Total	16	-	100

market value. The market value is calculated at the middle market price as at the date of the report. Trading investments are valued at the lower of cost or market value.

The monthly/quarterly returns are submitted as Excel worksheets on a floppy disk, either by courier, messenger or post. A hard copy printout of the information is also provided to the CBM, duly endorsed by the institutions' authorised signatories.

2.9.4 Special reporting procedures for the national central bank

Figures for the monetary authorities are obtained from the balance sheet of the CBM. The balance sheet is compiled by the Financial Control Office of the CBM and provided to the Statistics Office on a monthly basis, once it has been approved by the CBM's Board of Directors. The Statistics Office receives such information electronically.

The financial statements of the CBM are prepared in such a way as to give a true and fair view of the state of affairs of the CBM at the end of each financial year (i.e. ending on 31 December). This financial statement is prepared in compliance with the IAS issued by the International Accounting Standards Committee in so far as these are appropriate to a central bank and applicable in terms of the CBM Act of 1967.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

Data provided by the reporting agents are end-of-month positions. Asset and liability items which are denominated in foreign currencies are converted into Maltese liri (MTL) at the middle exchange rate valid at the end of the reporting period. End-of-month exchange rates of the Maltese lira

represent the closing mid-point rates of the last working day of the month, where a mid-point rate is calculated as the arithmetic mean of the buying and selling rates.

2.10.2 Revisions

Following the publication of provisional monthly statistics, data can be amended. Statistics are theoretically final once they have been published in the Quarterly Review. If, however, reporting errors are discovered at a later stage, they are subsequently corrected. In principle, the latest published data are considered to be the most up-to-date information available and only substantial revisions would merit highlighting in a footnote.

Major breaks in series generally occur due to methodological changes, changes in reporting regulations or changes in the reporting population (e.g. bank mergers). Minor breaks occur frequently as a result of the evolution of the reporting population. Explanations for such breaks are usually given in the footnotes or are indicated specifically in a note in the Quarterly Review, depending on the scale and effect of the revision. When data are available, series are amended as far back as possible. In the case of a recalculation of the series not being feasible, or of a series expiring as a result of conceptual changes, the new series are published from the date of the break together with data for the old series for a number of years, if possible.

Guidelines on such policies are either included in the Notes to Banking Directive No. 6 or issued specifically by means of a Notice. Assets held as trading securities, for instance, are valued at the lower of cost or market value. Investment securities are reported at book and market value. Moreover, banks must adhere to a consistent policy of revaluing their fixed assets.

With regard to the CBM's balance sheet, foreign currency assets and liabilities are

reported using closing rates of exchange against the Maltese lira. Exchange differences arising from such conversions are recognised as income or expense in the period in which they arise.

2.10.3 Derivation of flow statistics

Flows statistics are currently not compiled. They will be compiled on a monthly basis commencing mid-2003.

2.10.4 Seasonal adjustment

Published data are not seasonally adjusted. Occasionally, however, deseasonalised data are used in the graphical illustration of certain monetary statistics. Such data are seasonally adjusted using the Census-XII calculation method.

2.11 Publications

2.11.1 First release of data (including medium)

Monetary statistics are first released to the public within one month on the CBM's website. Subsequently, such data are released in the local press within 5-6 weeks of the reference month in a monthly publication entitled "Release of Monetary Aggregates and their Determinants". Information released includes the provisional monetary aggregates, their determinants and the main items in each category. The Governor's Office (within the CBM) submits this information electronically as a Word document to a private publicity firm, which is responsible for forwarding it to the local media.

2.11.2 Core weekly/monthly publications

Weekly money and banking statistics are not released by the CBM. Apart from the Release mentioned in Section 2.11.1, the CBM does not release other monthly publications on money and banking data.

2.11.3 Other statistical publications

The CBM publishes a range of monetary and financial statistics in its Quarterly Review. The Statistical Tables in the Review provide extensive information on Maltese money and banking statistics, together with a brief methodological note on the compilation of such information. The "Statistical Tables" section comprises five parts, namely Money and Banking, Government Finance, Public Debt, External Transactions, and Real Economy Indicators. The Quarterly Review is released within three to four months of the reference quarter. It is submitted by post to interested parties and also placed on the CBM's website.

Although the CBM's Annual Report does not include an annex with statistical information, a number of tables containing statistical information are shown. In accordance with the CBM Act of 1967, a copy of the annual accounts, as certified by the auditors, and a report on the operations during that year have to be transmitted to the Minister of Finance no later than three months after the close of each financial year. By the time of the first sitting of the House of Representatives after 7 April, the Minister of Finance should have brought a copy of these accounts before the House of Representatives. A copy of these accounts is also published in the Government Gazette. The CBM additionally provides copies of the Annual Report by post to interested parties, and places a copy on its website.

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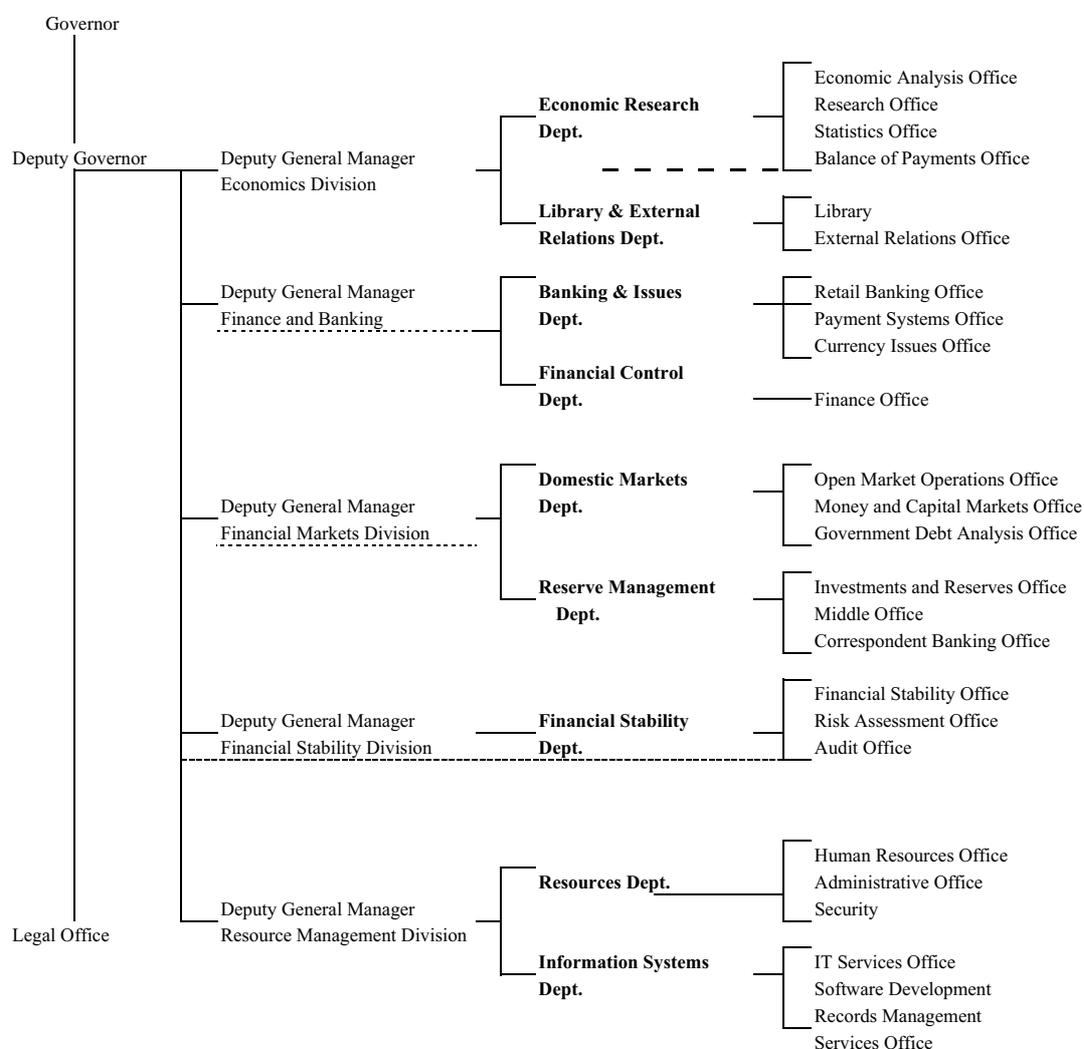
3 Contacts at the Central Bank of Malta

Any queries concerning the issues described in this country chapter should be addressed to:

Statistics Office
Economic Research Department
Central Bank of Malta
Castille Place
Valletta CMR01
Malta
Phone: (356) 2550 2000
Fax: (356) 2550 2500

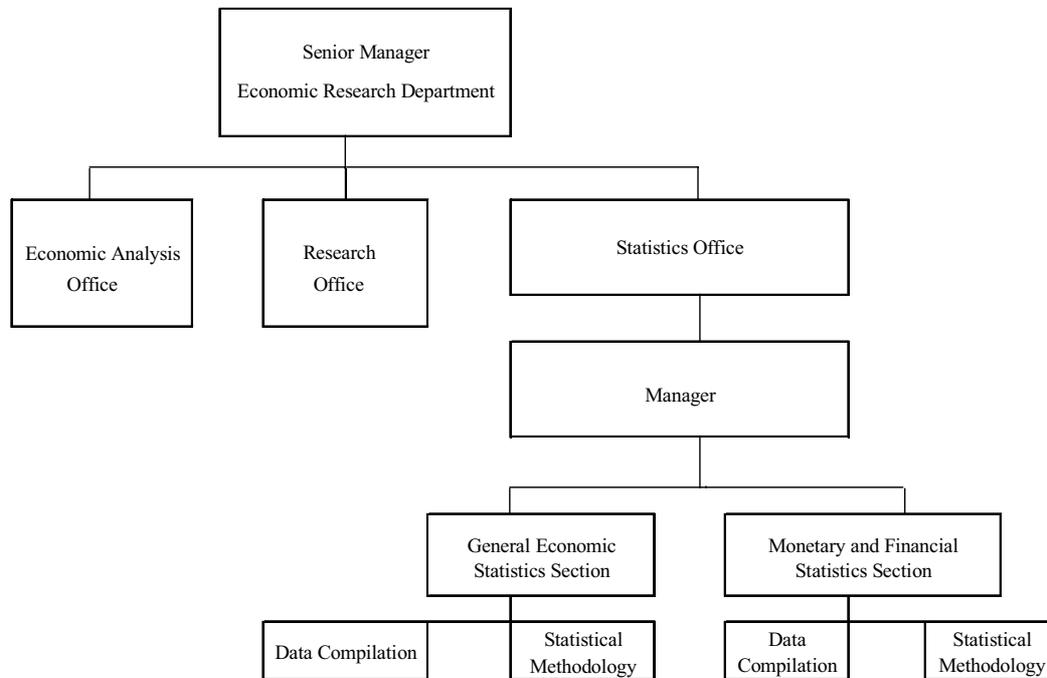
Annex I

Organisation chart of the Central Bank of Malta (CBM)



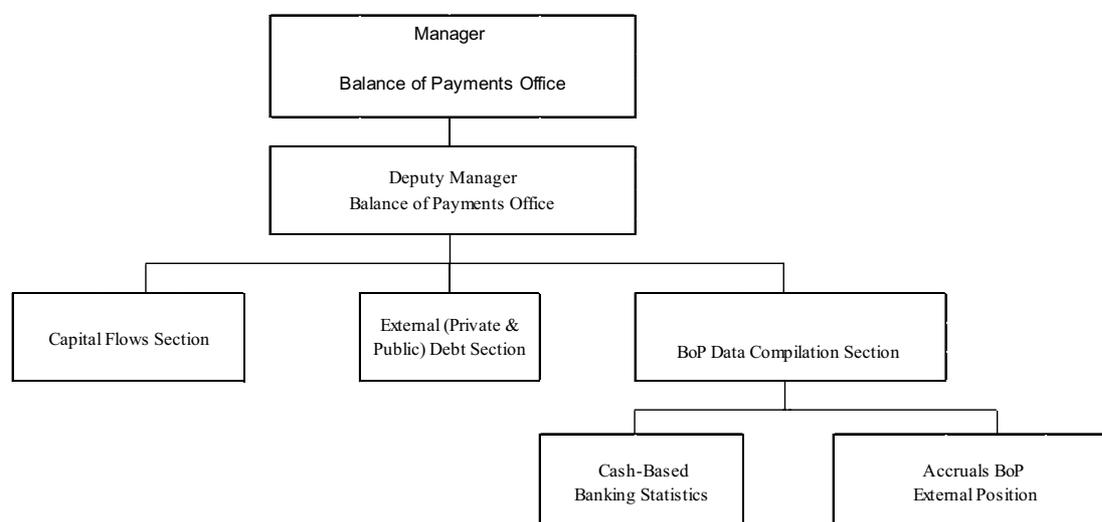
Annex 2

Organisation chart of the Statistics Section
(within the Economics Department)



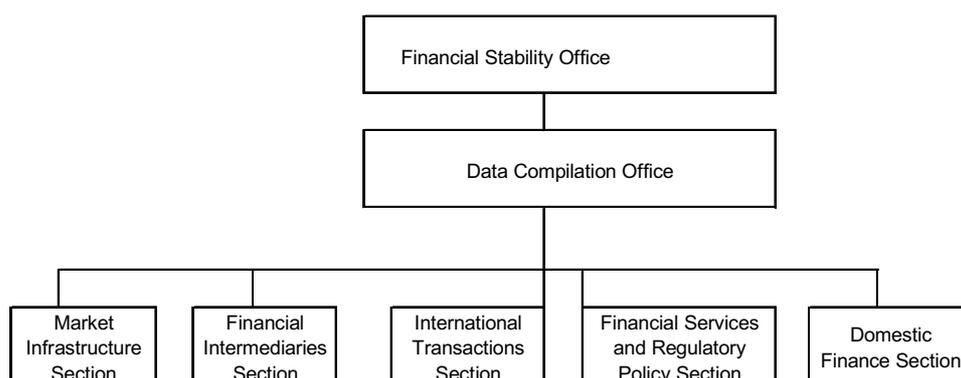
Annex 3

Organisation chart of the Balance of Payments Office



Annex 4

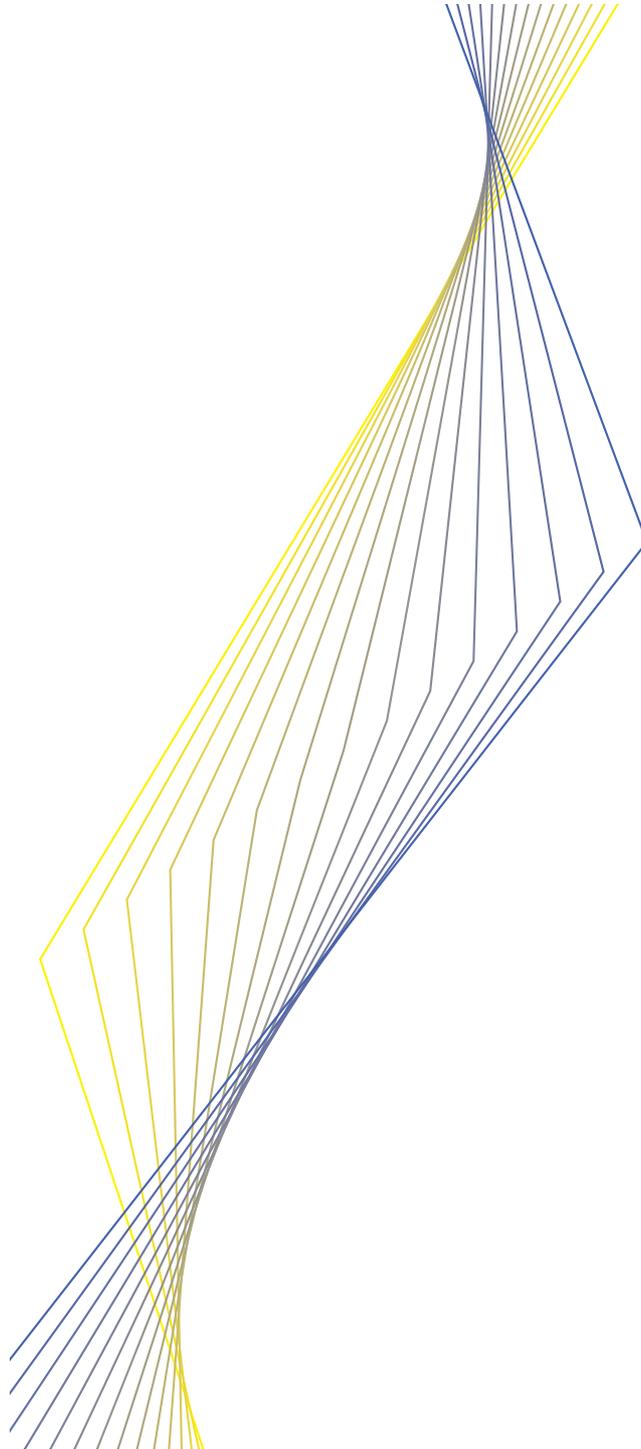
Organisation chart of the Financial Stability Office



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List of abbreviations

BFG	Banking Guarantee Fund
BH	Bank Handlowy w Warszawie S.A.
BIS	Bank for International Settlements
BISS	Bank Statistical Information System
b.o.p.	balance of payments
CRBS	Central Register of Treasury Bills
ESA 95	European System of Accounts 1995
GINB	General Inspectorate for Banking Supervision
GUS	Central Statistical Office
IBRD	International Bank for Reconstruction and Development
i.i.p.	international investment position
IMF	International Monetary Fund
KNB	Commission for Banking Supervision
MF	Ministry of Finance
MFI s	monetary financial institutions
NBP	National Bank of Poland
OECD	Organisation for Economic Co-operation and Development
PLN	Polish zloty
SDDS	Special Data Dissemination Standard
SKOK s	co-operative savings and credit unions
USD	US dollar
EUR	euro

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

See Annex I.

The basic decision-making bodies of Narodowy Bank Polski – the National Bank of Poland (NBP) – are the President, the Monetary Policy Council and the Management Board.

The President is appointed by Parliament for a term of six years. The President chairs the Monetary Policy Council, the Management Board and the Commission for Banking Supervision.

The Monetary Policy Council is a body established under the Act on the National Bank of Poland (Act on the NBP) of 29 August 1997. It is composed of nine members appointed in equal numbers by the President of Poland and the two chambers of Parliament for a term of six years. The Council is responsible for drawing up the annual monetary policy programme and the basic principles for implementing that programme. The Council also sets the official base interest rates, determines the principles to be applied to open market operations, and sets the reserve ratio. Furthermore, it approves the NBP's financial plan and its report of operations.

The Management Board manages the activities of the NBP. Its primary responsibilities involve implementing the resolutions of the Council, adopting the NBP's plan of operations and financial plan, and performing other duties with respect to exchange rate policies.

I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

The responsibilities of the Statistics Department involve collecting, processing and disseminating statistical information and reviewing it on an ongoing basis in relation to monetary issues, the balance of payments (b.o.p.), the international investment position (i.i.p.) and corporate finances in the Polish non-financial sector. The Department comprises nine divisions/sections and three independent positions (see Annex 2). The divisions/sections are as follows:

- 1) the Banks' Balance Sheet Division is responsible for the collection, revision, control and analysis of the monthly and quarterly information submitted by banks and the NBP, as well as for the maintenance, updating and modification of the database;
- 2) the Analysis Division deals with the analysis of monetary data based on information available internally and externally, the preparation of analytical materials for internal and external users, and methodological work related to monetary statistics;
- 3) the Preliminary Information Section collects, processes and disseminates monetary developments information derived from the preliminary ten-day data received from the banking system;
- 4) the Balance of Payments Compilation Division collects, processes and analyses the data necessary to compile Poland's b.o.p., external debt and i.i.p.;
- 5) the Non-banking Statistics Division collects the data necessary to compile the b.o.p. on a transaction basis;
- 6) the Balance of Payments Methodology and Analysis Section is responsible for any methodological and analytical tasks related to the b.o.p. or the i.i.p.;

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- 7) the Non-financial Sector Section collects and analyses data on the non-financial sector response to monetary developments;
- 8) the Administration Section deals with staff affairs and general organisational issues; and
- 9) the Information Technology Section provides IT services to the Department.

1.2 Legal background

Under the Constitution of the Republic of Poland of 2 April 1997 (Article 227), the NBP is the central bank of the State and has the exclusive right to issue legal tender as well as to develop and pursue monetary policy. The NBP acts in accordance with the Act on the NBP of 29 August 1997 (*Dziennik Ustaw* (Journal of Laws) No. 140, item 938).

1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The basic objective of the NBP is to maintain price stability while – at the same time – acting in support of the Government's economic policies, insofar as this does not impair the pursuit of the Bank's basic objective (Act on the NBP, Article 3.1). This objective is pursued by:

- a) developing and implementing monetary policy;
- b) creating the institutional basis to ensure the requisite level of financial safety and stability within the banking sector; and
- c) regulating the relevant principles and mechanisms to guarantee the liquidity of monetary settlements within the country.

1.3.1.2 General responsibilities of the national central bank

According to the Act on the NBP, the responsibilities of the NBP also include:

- 1) organising monetary settlements;
- 2) managing the official foreign currency reserves;
- 3) conducting foreign currency operations within the bounds stipulated by the Statute;
- 4) providing banking services to the central government;
- 5) regulating the liquidity of banks and providing them with refinancing facilities;
- 6) establishing the conditions necessary for the development of the banking system; and
- 7) drawing up the balance of payments and balances of foreign assets and liabilities of the State.

The NBP is responsible for the safety and soundness of the entire banking system. In its capacity as the bankers' bank, the NBP exercises supervision over the operations of commercial banks and, in particular, monitors their compliance with the provisions of the Banking Act through the intermediation of the Commission for Banking Supervision. The Commission is headed by the President of the NBP. The executive agency of the Commission is the General Inspectorate for Banking Supervision (GINB) which is an autonomous institution within the structure of the NBP. In addition to its supervisory functions, the NBP also performs regulatory functions in relation to commercial banks with a view to ensuring the safety of those banks and their deposits, as well as to maintaining liquidity within the banking industry as a whole. The issues covered by these standards include the definition of capital components, asset classification and specific provisioning, as well as risk-based

capital requirements. In this latter function, the NBP also acts as a lender of last resort. In the event of a commercial bank suffering temporary liquidity problems, it may apply to the NBP for financial assistance in the form of either a rediscount or a Lombard loan.

In discharging its responsibilities, the NBP collaborates with the appropriate central government bodies to develop and implement national economic policies, contributes to the development of central government financial plans and presents its opinion on draft legislation relating to economic policy and bank operations, thus striving to ensure the proper implementation of the monetary policy guidelines.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The NBP's responsibilities in the field of statistics are entrusted to the Statistics Department, whose main tasks are as follows:

- organising and co-ordinating monthly reporting under the Bank Statistical Information System (BISS), which provides data for monetary policy and supervisory purposes, as well as for the system of interim (ten-day) reports on selected monetary aggregates;
- maintaining statistical records of the balance of payments (on a monthly basis), indebtedness and foreign obligations on the basis of bank and non-bank reports (including collaboration with regional NBP branches in collecting and analysing the statistical data required to compile the balance of payments and the balance of foreign assets and liabilities of the central government);
- presenting and outlining economic statistics on non-financial counterparties with reference to the principal characteristics of their economic situation (including collaboration with regional NBP branches in surveys of the corporate sector);
- conducting monthly analyses of changes in basic monetary aggregates, including Divisia indexes, and developments affecting particular items of the balances of central government assets and liabilities;
- preparing and publishing aggregate data and periodic assessments of the assets and liabilities of commercial banks, the NBP and the banking system as a whole, and of the balance of payments and balances of foreign assets and liabilities of the State;
- conducting methodological studies regarding monetary statistics, the balance of payments and the international investment position;
- co-ordinating the performance of tasks arising from Poland's participation in the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF), including, in particular, work related to updating the meta-data contained on the IMF's online Dissemination Standards Bulletin Board;
- compiling two monthly publications: Preliminary Information and the Information Bulletin;
- organising and disseminating statistical data to internal and external users; and
- submitting statistical information to international organisations (the IMF, the World Bank, the Organisation for Economic Co-operation and Development (OECD), Eurostat, the European Central Bank and the Bank for International Settlements (BIS)).

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1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

The Central Statistical Office (GUS) is authorised to collect data from all available sources and to gather statistical data from and about economic entities and their operations as well as from and about individuals and their situations (Act on Public Statistics of 29 June 1995, *Journal of Laws* No. 88). The main areas of statistical research conducted by the GUS are: population, structure of the state, economy, science and technical progress, external economic relations, enterprises' performance, and national accounts. The scope of research areas for subsequent years is defined on an annual basis in the Programme for Public Statistics, issued in the form of the Resolution of the Council of Ministers.

The Ministry of Finance (MF) is responsible (under the Act on Public Finance of 26 November 1998, *Journal of Laws* No. 155, item 1014) for collecting and disseminating data on the total financial operations of the public finance sector, including, in particular, income and expenditure, claims and liabilities, guarantees and sureties.

The NBP co-operates with domestic organisations (mainly the GUS and the MF) and foreign institutions in data exchange and other tasks related to monetary statistics, the b.o.p., the i.i.p. and banking sector statistics (in the case of the GUS, this includes the methodology of statistical research).

1.3.2.3 An overview of statistical data collection and compilation

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<ul style="list-style-type: none"> – Bank balance sheet. – Additional information on the bank balance sheet. – Off-balance sheet liabilities. – Preliminary data on main assets and liabilities of banks. – NBP balance sheet. 	<ul style="list-style-type: none"> – Basic NBP interest rates. – Yield on Treasury securities. – Interbank rates. – Interest rates on deposits and loans offered by banks. 	<ul style="list-style-type: none"> – Volume of security issues and financial operations related to Treasury securities issued on domestic and foreign markets. – Bank liabilities on the issue of own securities. – Securities issued by resident sectors (except Treasury securities).
Collecting agents	NBP	NBP, MF	MF, NBP
Users	NBP, GUS, BFG	MF, NBP	MF, NBP
Description	<ul style="list-style-type: none"> – Detailed data provided by banks on a monthly basis (with a 10-day time lag) and aggregated by the NBP. – Preliminary data provided by banks on a ten-day basis (with a two-day time lag) related to basic monetary aggregates. 	<ul style="list-style-type: none"> – Decisions on basic NBP interest rates (rediscount and Lombard loans) are taken by the Monetary Policy Council and immediately announced via the press and other media. – Data on the prices and yield of Treasury securities are collected and provided to the NBP by the MF on a monthly basis. – Interest rates on basic categories of deposits and loans (denominated in Polish zloty (PLN) and foreign currencies) offered by 11 major commercial banks, and submitted on a monthly basis. 	<ul style="list-style-type: none"> – Data collected by the Ministry of Finance. – Data collected within the framework of the BISS system on a monthly basis (with a 10-day time lag). – Data collected within the framework of the BISS system on a monthly basis (with a 15-day time lag).

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	Data on outstanding demand deposits and time deposits for each day in the reporting period collected within the framework of the BISS system.	Financial assets and liabilities arising from transactions among domestic entities, and between these entities and abroad.	Data on the current account (imports, exports, income, current transfers), capital account and financial account.	<ul style="list-style-type: none"> • Bank balance sheet. • Additional information on the bank balance sheet. • Profit and loss account. • Additional information on the profit and loss account. • Bank exposure. • Risk-weighted assets and liabilities structure.
Collecting agents	NBP	GUS, NBP, MF	NBP, BH	NBP
Users	NBP	GUS, NBP, MF	NBP, GUS, MF	NBP, GUS, MF
Description	The reserve base is calculated as an arithmetic mean of the stock of the above deposits as of each day of any month. This information is required on a monthly basis.	Financial accounts are compiled by the GUS.	The above data are collected on a cash basis (monthly) and on a transaction basis (annually). The first data are received within five working days and the latter within five months following the end of the reporting period.	Data collected within the framework of the BISS system on a monthly basis (with a 10-day time lag), and quarterly basis (with a 10-day time lag).

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

Banks are obliged to report information to the NBP under the Act on the NBP and Resolution No. 3/2002 of the Management Board of the NBP of 15 February 2002 on the manner and detailed principles of submission by banks to the NBP of data necessary for the development of monetary policy, the periodic evaluation of the State's monetary stance and the evaluation of the financial situation of banks as well as banking sector risk.

An integrated, standard reporting system was developed under the Accountancy Act of 29 September 1994 (*Journal of Laws* No. 121, item 591, as amended), and the following executive regulations issued under the above act:

- Resolution No. 1/98 of the Commission for Banking Supervision of 3 June 1998 on the specific principles of banks' accounting rules and compilation of additional information (*Dziennik Urzędowy NBP (Official Journal of the NBP)* No. 14, item 27, as amended); and
- Regulation of the NBP President No. 4/95 of 22 February 1995 on model charts of accounts for banks (*Official Journal of the NBP* No. 6, item 11, as amended),
- Resolution of the Minister of Finance of 10 December 2001 on the principles of making reserves for risks associated with banking activity (*Journal of Laws* of 22 December 2001 No. 149, item 1672),
- Resolution of the Minister of Finance of 12 December 2001 on specific principles of recording, valuation, recognition and presentation of financial instruments

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(*Journal of Laws* of 22 December 2001 No. 149, item 1674),

- Resolution of the Minister of Finance of 12 December 2001 on the specific principles of banks' accounting rules (*Journal of Laws* of 22 December 2001 No. 149, item 1673),
- Resolution of the Minister of Finance of 12 December 2001 on a model chart of accounts for banks (*Journal of Laws* of 28 December 2001 No. 152, item 1727), and
- Resolution of the Minister of Finance of 12 December 2001 on banks' consolidated financial statements and financial holdings' consolidated financial statements (*Journal of Laws* of 28 December 2001 No. 149, item 1728).

2.1.2 Statistical standards

Starting from March 2002, the ESA 95 sector and sub-sector classification has been used, and monetary aggregates and counterparts compiled in line with the ECB requirements, which is the first methodological step towards full consistency with these requirements.

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

According to the Foreign Exchange Law of 27 July 2002 (*Journal of Laws* No. 141, item 1178), the term "resident" refers to:

- a) a natural person with a permanent residence in the country and a legal person with a permanent residence in the country, as well as any other entity with a permanent residence in the country having the ability to incur obligations and acquire rights in its own name; and
- b) Polish diplomatic representative offices, consulates and other Polish representative offices and special missions granted diplomatic or consular immunities and privileges.

According to the Foreign Exchange Law, branches of domestic banks abroad are considered to be non-residents, while branches of foreign banks in Poland are treated as residents.

The term "domestic economic territory" refers to the territory of the Republic of Poland.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

In the Polish banking and financial statistics, the following categorisation of economic entities is applied:

Financial sector

- Central bank
- Other monetary financial institutions (MFIs)

- Other financial intermediaries, except insurance companies and pension funds
- Financial auxiliaries
- Insurance corporations and pension funds

Non-financial sector

- Non-financial corporations
- Households
- Non-profit institutions serving households

General government

- Central government
- Local government
- Social security funds

Non-resident

- Financial sector
- Non-financial sector
- General government

A detailed description of the above sectors is presented in Table 2.

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Table 2

Sector classification	Sectors		Definitions	
Money-creating sector	Financial sector	Central bank	Entities which are principally engaged in financial intermediation, i.e. acquiring financial assets and at the same time incurring liabilities on their own account by engaging in financial transactions, and in auxiliary financial services, i.e. activities closely related to financial intermediation but which are not financial intermediation themselves. This category covers the National Bank of Poland and commercial banks.	
		Other monetary financial institutions		
Money-holding sector		Other financial intermediaries, except insurance corporations and pension funds	Financial corporations which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than MFIs.	
		Financial auxiliaries	Financial corporations which are not engaged in financial intermediation themselves, but which facilitate this intermediation.	
		Insurance corporations and pension funds	Entities offering insurance protection (insurance products) and accomplishing their objectives and tasks through an insurance company in the form of a share company or mutual insurance association, operating under the Act on insurance activity of 28 July 1990 (<i>Journal of Laws</i> No.59, item 344), and entities whose principal activity is to gather and invest funds with the aim of repaying them to the fund's members after they have retired, which operate under the Act on pension funds (<i>Journal of Laws</i> No. 139, item 934).	
Money-holding sector	Non-financial sector	Non-financial corporations	State-owned enterprises and companies	Enterprises operating under the Act on state-owned enterprises of 25 September 1981 (<i>Journal of Laws</i> of 1991 No. 18, item 80) and state-owned companies, i.e. companies: <ul style="list-style-type: none"> – in which the State Treasury holds at least 50% of the capital; – in which a state-owned company holds at least 50% of the capital; – in which a State Treasury company holds at least 50% of the capital; – in which the State Treasury, a state-owned company and a State Treasury company hold in total at least 50% of the capital.
			Private enterprises and co-operatives	Enterprises and companies wholly held by the private sector and companies that fail to meet the criteria set for state-owned companies, as well as all co-operatives and companies, branches of foreign enterprises, and producer groups. This category also includes natural persons conducting economic activity for their own account that employ more than 9 persons.
		Household	Individual entrepreneurs	Natural persons conducting economic activity for their own account to whom a reporting bank grants services related to their activity, employing up to 9 persons.

Table 2 (continued)

Sector classification	Sectors		Definitions	
Money-holding sector		Households	Individuals	Natural persons other than those classified as individual entrepreneurs or farmers.
			Farmers	Natural persons whose principal source of income is agricultural production and whose activity has not been registered as an enterprise, company, co-operative or producer group.
			Non-profit institutions serving households	Non-profit institutions that are separate legal entities serving households and whose principal resources, apart from those derived from occasional sales, are derived from voluntary contributions in cash or in kind from households, from payments made by general government or from property income.
Money-neutral sector	General government	Central government	All institutional units entirely or predominantly financed from public funds, except for state-owned enterprises, state-owned banks, and enterprises established under the Commercial Code.	All administrative departments of the State and other central agencies whose competence extends over the whole economic territory, except for the administration of social security funds.
Money-holding sector		Local government		All public administration units whose competence extends to only a local part of the economic territory, apart from local agencies of social security funds.
		Social security funds		All central and local institutional units whose principal activity is to provide social benefits and which fulfil each of the following two criteria: a) by law or by regulation, certain groups of the population are obliged to participate in the scheme or to pay contributions; b) general government is responsible for the management of the institution in respect of the settlement or approval of contributions and benefits.
Non-resident sector	Non-resident			A natural person with a permanent residence outside the country and any other entity with a permanent residence outside the country that has the ability to incur obligations and acquire rights in its own name.

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2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

See Table 3.

Table 3

Country sector classification	Sectors		Sectors in the ESA 95		ECB sector classification
Money-creating sector	Financial sector	Central bank	S121 Central bank	S12 Financial corporations	Money-creating sector
		Banks	S122 Other monetary financial institutions		
Money-holding sector	Financial sector	Other financial intermediaries, except insurance corporations and pension funds	S123 Other financial intermediaries, except insurance corporations and pension funds		
		Financial auxiliaries	S124 Financial auxiliaries		
		Insurance corporations and pension funds	S125 Insurance corporations and pension funds		
Non-financial sector	Non-financial sector	Non-financial corporations	S11 Non-financial corporations		Money-holding sector
		Households	S14 Households		
		Non-profit institutions serving households	S15 Non-profit institutions serving households		
Money-neutral sector	General government	Central government	S1311 Central government	S13 General government	Money-neutral sector
		n.a.	S1312 State government		
Money-holding sector	General government	Local government	S1313 Local government		
		Social security funds	S1314 Social security funds		
Non-resident sector	Non-resident	Financial sector	S211 EU countries	S21 European Union	Non-resident sector
		Non-financial sector	S212 Institutions of the EU	S2 Rest of the world	
		General government	S22 Third countries and international organisations		

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

In Poland the reporting population comprises banks and branches of foreign banks operating in Poland.

According to the Banking Act of 29 August 1997 (*Journal of Laws* No. 140, item 939), “a bank shall constitute a legal person, established pursuant to the provisions of the Statute, operating on the basis of authorisation to conduct banking operations that expose to risk funds which have been entrusted to the bank and which are in any way repayable. Banking operations shall comprise:

- 1) accepting deposits payable on demand or at a specified maturity, and operating such deposit accounts;
- 2) operating other bank accounts;
- 3) extending loans;
- 4) extending bank guarantees;
- 5) issuing bank securities;
- 6) performing bank settlements; and
- 7) performing other operations reserved exclusively for banks under separate legislation”.

Existing regulations provide for the concept of a credit institution; however, this is only in relation to entities operating on the territory of the European Union Member States.

2.3.2 Definition of other monetary institutions

According to preliminary analysis, some investment funds fulfil the criteria for “money

market funds”. The volume of their activity is monitored on an ongoing basis.

2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

Table 4

As at end-December 2002

Institutions	Number of institutions
National central bank	1
Credit institutions	666
State-owned banks	8
Private banks	54
Co-operative banks	604
Other monetary financial institutions	n.a.
Total	667

2.4 Banking business: general deposits/other products

The majority of banks in Poland are universal banks offering traditional banking products and services to individual and corporate customers. For individual customers, banks offer current accounts and a wide range of PLN-denominated and foreign currency-denominated deposits with fixed or floating interest rates with the option of placing funds on any terms, even those that are non-standard. Banks also accumulate funds through the issue of savings bonds and certificates of deposits, which are acquired mainly by households.

Banks grant different types of consumer and investment loans, e.g. hire purchase and housing loans, loans for the purchase of cars and for economic activity, preferential loans for agricultural activity, etc. Banks specialising in servicing the corporate sector offer companies packages of services comprising basic banking services, including a simplified procedure enabling quick access to current account credit.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

Assets

- 1) Credit to domestic residents: credits and loans, debts purchased, guarantees realised, interest due on performing and non-performing claims on and repurchase agreements with domestic sectors. The item is broken down by credit to general government and other domestic sectors (i.e. non-MFIs and the non-financial sector).
- 2) Holdings of securities other than shares issued by domestic sectors: debt securities issued by domestic sectors broken down by general government and other domestic sectors (i.e. non-MFIs and the non-financial sector).
- 3) Holdings of shares/other equity issued by domestic sectors: holdings of equity securities (shares, participation units, investment certificates and fixed financial assets) issued by domestic sectors.
- 4) Foreign assets: claims on non-residents denominated in foreign currencies and in PLN.
- 5) Fixed assets: non-financial fixed assets, intangible assets, etc.
- 6) Other assets: items not included elsewhere, i.e. interest accrued, settlement accounts, deferred income and expenditure, or settlements with sundry counterparties.

Liabilities

- 1) Currency in circulation: notes and coins in circulation.
- 2) Deposits of central government: all types of deposits and other liabilities towards central government.

3) Deposits of other domestic sectors: deposits of other general government and other domestic sectors broken down by overnight deposits, deposits with agreed maturity, deposits redeemable at notice and repurchase agreements.

4) Debt securities issued: issue of own debt securities by MFIs.

5) Capital and reserves: paid-in share capital, reserve capital, general risk reserves, specific provisions, profit/loss, revaluation reserve.

6) Foreign liabilities: liabilities to non-residents in foreign currencies and in PLN, except for MFIs' capital and supplementary funds paid in by non-residents.

7) Other liabilities: items not included elsewhere, e.g. interest accrued.

8) Excess of inter-MFI liabilities: inter-MFI credits less deposits.

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

The balance sheet items of other MFIs are broken down by sector, type of operation, currency (PLN and foreign currencies), residency (residents and non-residents), original and remaining maturity.

On the assets side, MFIs report the stock of outstanding claims on each sector (broken down into sub-sectors), subdivided into performing claims, claims under surveillance and non-performing claims (the latter broken down further into substandard, doubtful and loss claims). The original maturities of claims are presented in the following ranges: up to one year (including current accounts); over one year up to two years; over two years up to three years; over three years up to five years; and over five years. For remaining maturities, claims are subdivided into the following time ranges: up to one month; over

one month up to three months; over three months up to six months; over six months up to one year; over one year up to three years; over three years up to five years; over five years; and past due claims. Debt securities held in MFIs' portfolios are broken down by type (i.e. quoted and unquoted; held for trade and investment purposes), issuer, original maturity (up to three months; over three months up to six months; over six months up to nine months; over nine months up to one year; bonds up to one year; over one year up to three years; over three years up to five years; over five years), and the currency of issue (PLN and foreign currencies).

Liabilities-side instruments are broken down by type (overnight, with agreed maturity, redeemable at notice and escrow deposits, credits and loans received), currency of denomination (PLN and foreign currencies) and sector. Time liabilities are broken down by remaining maturity range (up to one month; over one month up to three months; over three months up to six months; over six

months up to one year; over one year up to three years; over three years up to five years; over five years), as well as by original maturity range (up to one month; over one month up to three months; over three months up to six months; over six months up to one year; over one year up to two years; over two years). Liabilities arising from securities issued are broken down by type (bonds, certificates, others) and remaining/original maturities (the same as for other liabilities).

2.6 Measure(s) of money: definitions and remarks

2.6.1 Definition of money and instrument breakdown of monetary aggregates

Under its strategy of direct inflation targeting, the NBP does not determine an intermediary objective in terms of money supply growth; however, it calculates and publishes four monetary aggregates: M0, M1, M2 and M3. See Box I.

Box I

Measure M0 includes:

Money in circulation (including vault cash)
MFIs' current accounts

Measure M1 includes:

Money in circulation (excluding vault cash)
PLN and foreign currency overnight deposits of:

- Households
- Non-financial corporations
- Non-profit institutions serving households
- Non-monetary financial institutions
- Local government
- Social security funds

Measure M2 includes:

M1
PLN and foreign currency deposits with agreed maturity up to 2 years and deposits redeemable at notice of up to 3 months of:

- Households
- Non-financial corporations
- Non-profit institutions serving households
- Non-monetary financial institutions
- Local government
- Social security funds

Measure M3 includes:

M2
Repurchase agreements with non-MFIs
Debt securities with maturity up to 2 years issued by MFIs and bought by non-MFIs

2.6.2 Sector allocation of holdings of negotiable instruments

Negotiable instruments included in monetary aggregates comprise cash, certificates of deposits and bonds issued by banks. Owing to the nature of negotiable instruments such as banknotes and coins in circulation, certificates of deposits and short-term securities (bills), it is not possible to produce a full breakdown by sector of these instruments, and such information is generally not available in the reports submitted by MFIs.

The amount of banknotes and coins held by the non-financial sector is derived by deducting the value of MFIs' vault cash from the value of cash in circulation. In the statistics of securities issued by MFIs and purchased on the primary market, only the value of securities held by MFIs may be distinguished.

2.7 Counterparts of money

See Box 2.

Box 2

Foreign assets (net) comprise claims on non-residents in convertible and non-convertible currencies, in PLN less claims to non-residents in convertible and non-convertible currencies, and in PLN, except for MFIs' capital and supplementary funds paid by non-residents.

Credit to other domestic sectors comprises credits and loans, debts purchased, guarantees and sureties and interest due on performing and non-performing claims on households, non-monetary financial institutions, non-financial corporations, non-profit institutions serving households, local government and social security funds as well as securities other than shares, and shares/other equities issued by the above sectors.

Credit to central government (net) comprises total claims on central government, including claims on securities issued by central government and held by MFIs, less liabilities to the central government sector.

Longer-term financial liabilities cover deposits with agreed maturity over 2 years, household deposits redeemable at notice over 3 months, non-monetary financial institutions, non-financial corporations, non-profit institutions serving households, local government and social security funds, debt securities issued with maturity over 2 years (issued by MFIs and bought by non-MFIs), as well as capital and reserves.

Fixed assets (excluding fixed financial assets)

Other items (net) comprise the following major items: MFIs' income and expenditure, MFIs' funds, inter-MFI and intra-MFI settlements, settlement accounts, inter-MFI balances, specific provisions.

The described classification of credit to domestic residents is described in the table below.

2.8 Reserve money

Reserve money of the NBP includes:

1. Cash in circulation (including vault cash); and
2. MFIs' current accounts.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

Monetary statistics are collected by the NBP in accordance with Article 23.4 of the Act on the NBP of 29 August 1997 (*Journal of Laws* No. 140, item 938, of 1998 and No. 160, item 1063) and issued in accordance with Resolution No. 3/2002 of the Management Board of the NBP of 15 February 2002 on the manner and detailed principles of submission of data necessary for the development of monetary policy by banks to the NBP, the periodic evaluation of the State's monetary stance, and the evaluation of banks' financial situation and banking sector risk.

By sector	By type	By maturity	Other
Financial sector – MFIs – Insurance corporations and pension funds – Other financial intermediaries – Financial auxiliaries	– Current account loans – Discount loans – Export credits – Investment credits – Mortgage loans, of which housing loans – Loans for the purchase of securities – Credit card-related loans – Other loans	Original maturity – Up to one year – One to two years – Two to three years – Three to five years – Five to ten years – Ten to twenty years – Over twenty years Residual maturity – Current accounts – Up to one month – One to three months – Three to six months – Up to one year – One to three years – Three to five years – Five to ten years – Ten to twenty years – Over twenty years	– Domestic/foreign currency – Performing/non-performing claims (substandard, doubtful, loss)
Non-financial sector – Non-financial corporations – State-owned enterprises – Private companies and co-operatives – Households – Individual entrepreneurs – Individuals – Farmers – Non-profit institutions serving households			
General government – Central government – Local government – Social security funds			

Table 5*As at end-December 2002*

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all institutions)
National central bank	1	100	21.1
Credit institutions	673	100	78.9
State-owned banks	8	100	19.8
Private banks	58	100	55.3
Co-operative banks	607	100	3.8
Other monetary financial institutions	0	-	-
Total	674	-	100

2.9.2 Identification of the reporting population (reporting coverage)

In Poland, the reporting obligation is binding upon banks and branches of foreign banks operating in Poland.

See Table 5.

2.9.3 Reporting schemes

MFIs prepare reports at the following frequency:

- ten-day: selected assets and liabilities of the respective MFI;
- monthly: general information on the respective MFI, balance sheet, additional information, off-balance sheet liabilities and appendixes to the balance sheet; and
- quarterly: profit and loss account, supervisory appendixes.

MFIs submit the above data to the NBP's Statistics Department by the following deadlines:

- by the end of the second working day following the tenth, twentieth and last day of each reporting month;

- by the end of the tenth working day following each reporting month;

- by the end of the tenth working day following the month ending the reporting quarter in question; and

- for quarterly reporting on the number of accounts and securities issues, by the end of the fifteenth working day following the month ending the reporting quarter.

Monthly reporting is compiled using the WEBIS IT system, designed specifically for this purpose and provided by the NBP to each reporting agent. The system generates reports in electronic form. The ten-day reporting data are received by the Statistics Department in electronic form or on hard copy (by fax).

Co-operative banks submit their reporting to the NBP indirectly through their respective regional or associate banks. Other commercial banks submit their reports directly to the NBP's Statistics Department.

The standard reporting system is regulated by the Accountancy Act of 29 September 1994 (*Journal of Laws* No. 121, item 591, as amended) and the following executive regulations:

- Resolution No. 1/98 of the Commission for Banking Supervision of 3 June 1998 on

the specific accounting principles for banks and the compilation of additional information (*Official Journal of the NBP* No. 14, item 27); and

- Regulation of the NBP President No. 4/95 of 22 February 1995 on model charts of accounts for banks (*Official Journal of the NBP* No. 6, item 11, as amended),
- Resolution of the Minister of Finance of 10 December 2001 on the principles of making reserves for risks associated with banking activity (*Journal of Laws* of 22 December 2001 No. 149, item 1672),
- Resolution of the Minister of Finance of 12 December 2001 on specific principles of recording, valuation, recognition and presentation of financial instruments (*Journal of Laws* of 22 December 2001 No. 149, item 1674),
- Resolution of the Minister of Finance of 12 December 2001 on specific principles of banks' accounting rules (*Journal of Laws* of 22 December 2001 No. 149, item 1673),
- Resolution of the Minister of Finance of 12 December 2001 on a model chart of accounts for banks (*Journal of Laws* of 28 December 2001 No. 152, item 1727), and
- Resolution of the Minister of Finance of 12 December 2001 on banks' consolidated financial statements and financial holdings' consolidated financial statements (*Journal of Laws* of 28 December 2001 No. 149, item 1728).

2.9.4 Special reporting procedures for the national central bank

The NBP's balance sheet is compiled on a daily basis. It includes detailed information about the NBP's activities. In accordance with SDDS requirements, the NBP disseminates its balance sheet (monetary presentation) on a monthly basis with a seven-day time lag. It is presented on the NBP's website

(<http://www.nbp.pl/statystyka/index.html>) and comprises selected items of the NBP's balance sheet, i.e. foreign assets (net), official reserves, loans granted, open market operations (net), net credit to general government, reserve money of the NBP, cash in circulation and liabilities to domestic banks. The NBP also publishes an accounting balance sheet which is more detailed and includes such items as basic assets (gold, cash denominated in foreign currencies, Poland's contributions to the IMF and the International Bank for Reconstruction and Development (IBRD), foreign currency deposits, refinancing, rediscount and Lombard loans, credit to general government, Treasury securities) and other assets, cash in circulation, NBP debt securities issued, deposits, other liabilities and deferred income, funds and reserves. This balance sheet is presented net, i.e. liabilities are shown net of provisions.

According to the Act on the NBP, the accounting principles of the NBP must comply with the International Accounting Standards.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

Data submitted to the NBP by reporting agents are presented as the stock of assets and liabilities as of the end of the reporting period at their balance sheet value.

2.10.2 Revisions

The database operated by the NBP is "live" and subject to changes resulting from revisions made by reporting agents. Published data may also be subject to change and revision in case of errors subsequently corrected by reporting agents. December data are revised and considered final only when the annual balance sheet has been audited and any revisions have been submitted to the NBP.

2.10.3 Derivation of flow statistics

The NBP provides information about any methodological changes implemented in the reporting procedure that result in breaks in series (recent changes were introduced in March 2002) on the NBP's website. Such information is also published in the methodological notes to the "Information Bulletin". Data time series have been adjusted backwards starting from the data for the end of December 1996 (partly based on estimates).

Statistical preparations necessary to compile flow statistics as far as possible in accordance with the requirements set out in ECB/2001/13 are being finalised. The collection of first returns from reporting agents is envisaged for end-2003.

2.10.4 Seasonal adjustment

Since December 1999, monthly "Information Bulletins" have included seasonally adjusted time series for the following aggregates: monetary aggregates M0, M1 and M3, claims of commercial banks on total domestic sectors, households and non-financial corporations, deposits of commercial banks to total domestic sectors, households and non-financial corporations. Calculations of seasonally adjusted time series are performed via the SAS (Statistical Analysis System) application, using the X-11 method of seasonal correlation and decomposition.

2.11 Publications

2.11.1 First release of data (including medium)

The NBP's Statistics Department provides equal access to data for all users according to the calendar of data dissemination published on the NBP's website (<http://www.nbp.pl>), which is the first available source of data for external users. The

following monetary statistics data are available:

- Broad money M3 and its counterparts (preliminary data) (published on a monthly basis with a 14-day time lag);
- Reserve money and counterparts (published on a monthly basis with a seven-day time lag).

In addition, the NBP's website contains the following monthly data:

- Central bank instruments;
- Exchange rates (USD and EUR);
- Weighted average interest rates on deposits and credits;
- Aggregated balance sheet of other MFIs;
- Balance sheet of the National Bank of Poland (accounting presentation);
- Consolidated balance sheet of MFIs (final data);
- Monetary aggregates;
- M3 and counterparts;
- Reserve money and counterparts;
- Poland's balance of payments on a cash basis;
- Official reserve assets;
- Poland's external debt;
- Poland's balance of payments on a transaction basis;
- International investment position, and
- International reserves and foreign currency liquidity.

The NBP's website also provides the following daily data:

- Exchange rates (average, bid and offer);
- Financial market ratios;
- Interest rates; and
- The stock price index (link to the Warsaw Stock Exchange website).

2.11.2 Core weekly/monthly publications

The core NBP reports published on a monthly basis are as follows:

- Preliminary Information: a short monthly publication including preliminary data on economic developments, on the other MFIs and the NBP's balance sheets. This publication is available on hard copy.
- The NBP Information Bulletin: a monthly release with a three-month delay, it presents basic data related to general

economic and financial developments and the NBP's policies. Quarterly issues also include descriptions of basic monetary and macroeconomic trends. The Bulletin is also available in electronic form on the NBP's website (<http://www.nbp.pl/publikacje>).

All the publications listed above are available in both Polish and English.

2.11.3 Other statistical publications

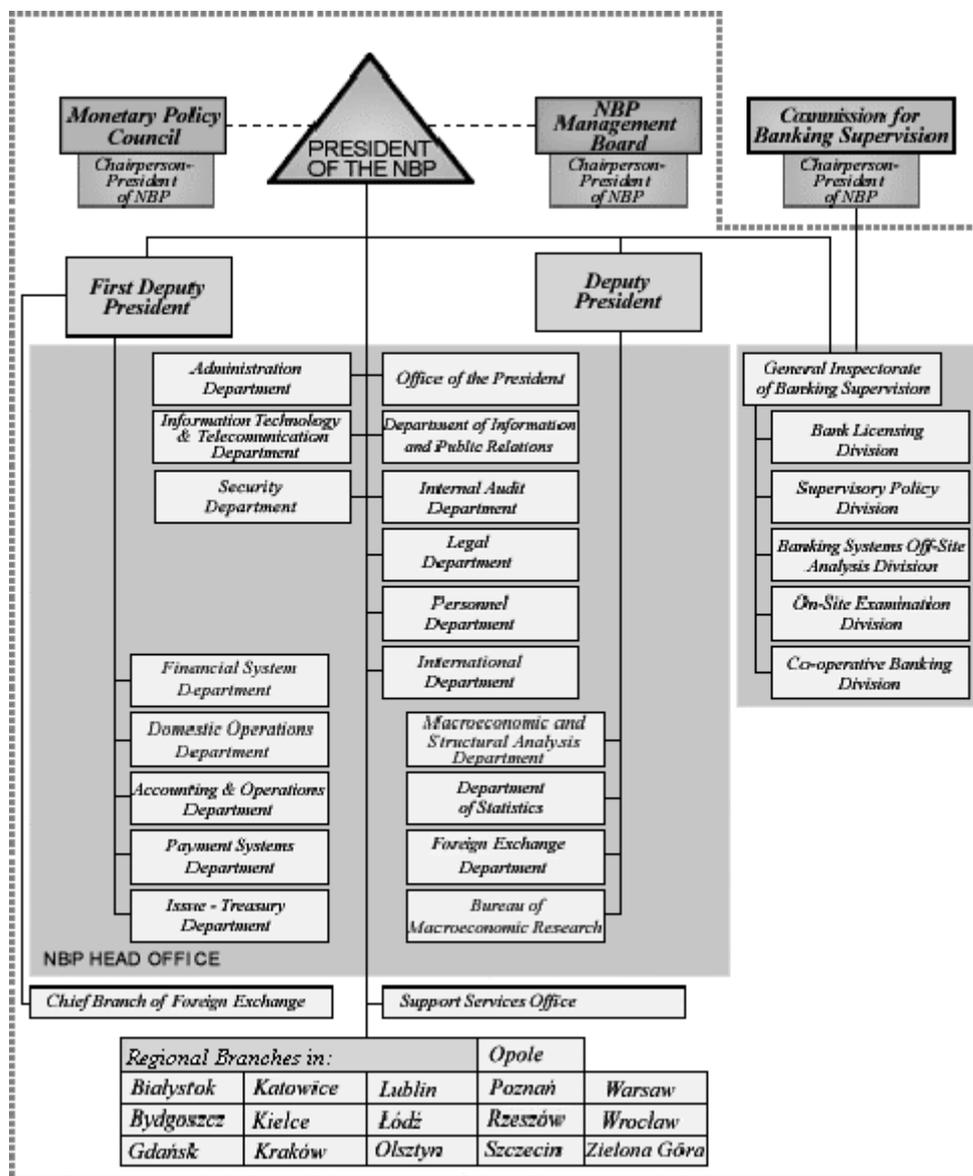
- The Annual Report: this yearly publication includes data on general economic and financial developments and banking sector developments, as well as the balance sheets of the NBP, the banking system and Poland's balance of payments. The Annual Report is published in Polish and English.
- The Inflation Report: a publication dealing with inflationary trends, the monetary aspects of inflation and the non-monetary factors, both external and internal, that affect inflation. The Inflation Report is published in Polish and English.

3 Contacts at the National Bank of Poland

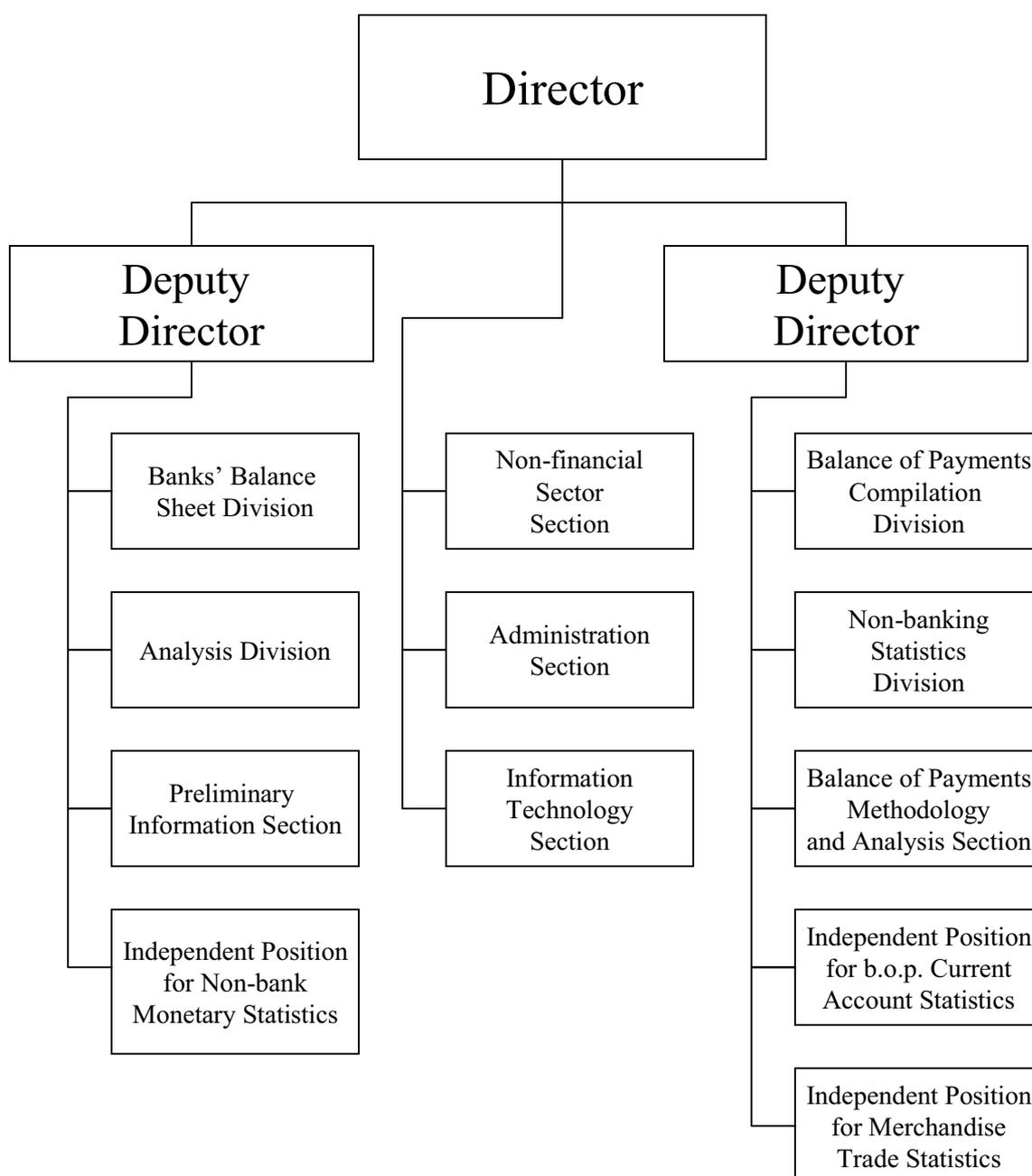
Any queries concerning the issues described in this country chapter should be addressed to:

Anna Lewandowska,
Adviser to the President,
Department of Statistics,
e-mail: anna.lewandowska@nbp.x400.net.pl;
tel. 48-22 6532790;
fax: 48-22 6532291
Joanna Glowala,
Department of Statistics,
e-mail: joanna.glowala@nbp.x400.net.pl;
tel. 48-22 6531229;
fax: 48-22 6532291

Annex I



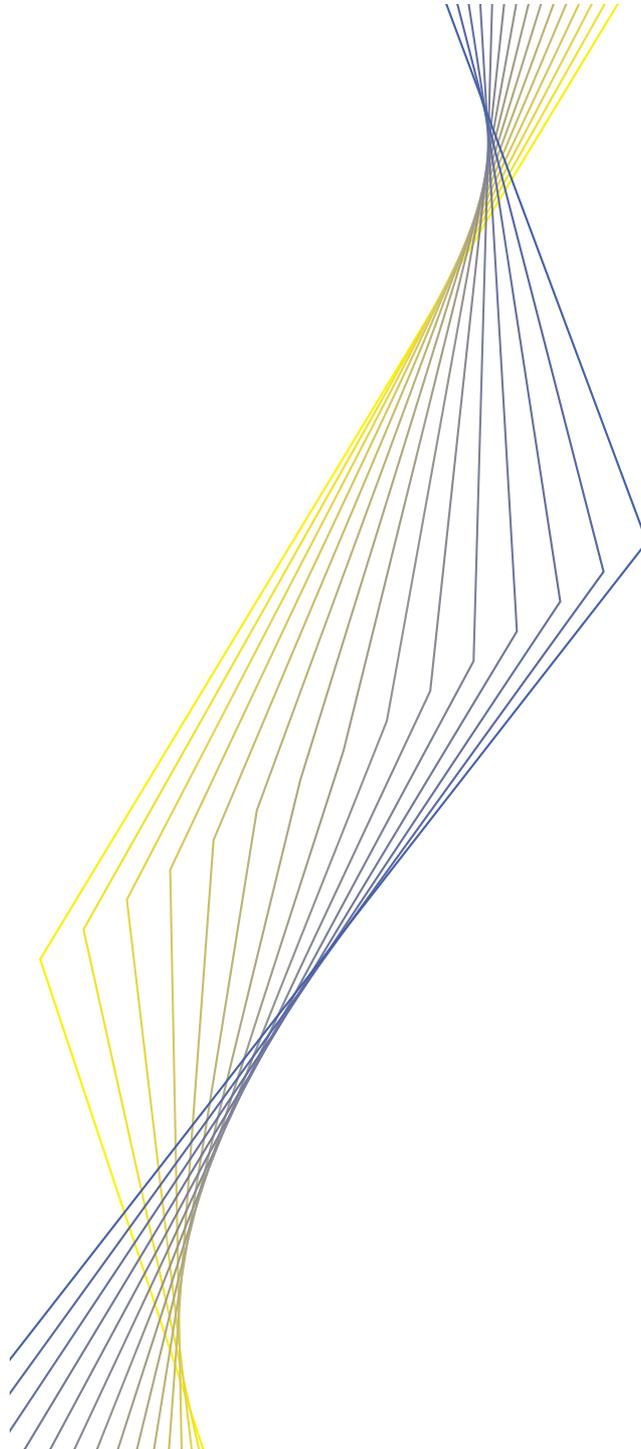
Annex 2

Organisation chart of the Statistics Department of the National Bank of Poland (NBP)


Poland



EUROPEAN CENTRAL BANK



Romania

Romania

List of abbreviations

b.o.p.	balance of payments
ESA 95	European System of Accounts 1995
i.i.p.	international investment position
IMF	International Monetary Fund
NBR	National Bank of Romania
ROL	Romanian leu
SDRs	Special Drawing Rights

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

See Annex 1.

I.1.2 Organisation of the statistical work at the national central bank

The Statistics Department is organised horizontally following the flow of information (in-processing-out) related to money and banking statistics and external sector statistics. The Statistics Department has 3 divisions: Reporting (for data collection); Processing (for data processing); and Statistical Analysis and Information (for data analysis and dissemination).

See Annex 2.

I.2 Legal background

The legal framework for the activities performed by the National Bank of Romania (NBR) is laid down by the following:

- Law no. 541/2002 – Law on savings institutions financing the housing sector, entering into force on 1st January 2003.
- The activities of the NBR are also governed by regulations issued by it, namely:
- a. Monetary policy:
 - Regulation no. 1/2002 regarding the money market operations performed by the NBR and the lending/granting facilities granted to banks;
 - Regulation no. 6/2002 regarding the minimum reserve requirements.
 - b1. Prudential banking supervision:
 - Rules no. 2/1999 regarding the licensing of banks, as further amended and supplemented by the Rules no. 4/2002;
 - Rules no. 3/1999 regarding amendments to the status of banks, as further amended and supplemented by Rules no. 11/1999, Rules no. 8/2000 and Rules no. 5/2002;
 - Rules no. 16/2002 regarding the minimum capital requirements for banks;
 - Rules no. 7/1999 regarding banks' own funds;
 - Rules no. 8/1999 regarding the limitation of the credit risk of banks, as further supplemented by Rules no. 11/2002;
 - Rules no. 5/2000 regarding the merger and demerger of banks;
 - Regulation no. 2/2000 regarding the classification of credits, investments, as well as the establishment, regulation and use of specific credit risk provisions (in the application of which Methodological Rules No. 2/2000 were issued). This regulation will be replaced by Regulation
- Law no. 101/1998 regarding the Statute of the NBR, as further amended and supplemented by the Government Emergency Ordinance no. 136/2001, approved by Law no. 407/2002;
 - Law no. 58/1998 – the Banking Act, as further amended and supplemented by Government Emergency Ordinance no. 137/2001, approved by Law no. 357/2002;
 - Government Emergency Ordinance no. 97/2000 regarding credit co-operative organisations, approved and amended by Law no. 200/2002;

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- no. 5/2002 regarding the classification of credits, investments, as well as the establishment, regulation and use of specific credit risk provisions (in the application of which Methodological Rules No. 12/2002 were issued), entering into force on 1st January 2003;
- Rules no. 4/2001 regarding supervision of the foreign exchange positions of banks;
 - Rules no. 1/2001 regarding banks' liquidity, as further amended and supplemented by Rules no. 1/2002;
 - Rules no. 3/2002 regarding the "know-your-customer" standards;
 - Rules no. 10/2002 regarding financial derivative instruments;
 - Regulation no. 1/1999 regarding the organisation and operation of the Credit Information Bureau within the NBR, as further amended and supplemented by Circular no. 22/2002;
 - Regulation no. 1/2001 regarding the organisation and operation of the Payments Incidents Bureau within the NBR, as further amended and supplemented by Circular no. 21/2002.
- b2. Prudential supervision of credit co-operative organisations:
- Rules no. 7/2000 regarding the licensing of credit co-operative organisations, as further amended and supplemented by Rules no. 2/2002 and Rules no. 15/2002;
 - Rules no. 13/2002 regarding the minimum capital of credit co-operative organisations and the minimum aggregated capital of the credit co-operative networks;
 - Rules no. 14/2002 regarding the own funds of credit co-operative organisations and of the credit co-operative networks.
- b3. Accounting rules for credit institutions:
- Order no. 1418/344 of 1 August 1998 on the approval of a Chart of Accounts for banks and methodological rules regarding its use, updated version.
 - Order no. 1524/362 of 20 July 1998 on the approval of the layout of banks' financial statements and methodological rules regarding the drawing up and use of these statements, updated version.
 - Order no. 1982/5 of 8 October 2001 on approval of the Accounting Regulations harmonised with Directive no. 86/635/EEC and with the International Accounting Standards, applicable to credit institutions.
 - National Bank of Romania Rules no. 8/2002 on drawing up consolidated financial statements by credit institutions.
 - National Bank of Romania Rules no. 9/2002 on banks' accounting of derivatives operations and on drawing up specific financial accounting statements
- c. Foreign exchange policy and management:
- Regulation no. 3/1997 regarding foreign exchange transactions, as further amended and supplemented by Circulars nos. 7/1998, 25/1998, 22/1999, 26/1999, 34/1999, 26/2001 and 37/2002.
- d. Operations on the Government's account:
- Order no. 875/2001 issued by the Minister of Public Finance, the Governor of the National Bank of Romania and the Vice-president of the National Securities Commission, approving the Regulation on dealings in paperless government securities.
 - Order no. 395/2/5C/2002 issued by the Minister of Public Finance, the Governor of the National Bank of Romania and the Chairman of the National Securities

Commission, approving Working Procedures for the enforcement of Order no. 875/2001 concerning approval of operations with paperless government securities.

I.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The NBR is the central bank of Romania, having legal personality.

The fundamental objective of the NBR is to ensure the stability of the national currency in order to contribute to price stability. In order to attain this fundamental objective, the NBR elaborates, implements and is responsible for monetary, foreign exchange, credit and payments policies, and for banking and prudential supervision within the framework of the general policy of the State. The NBR aims to ensure the normal operation of the banking system and participates in the promotion of a financial system suited to a market economy.

Likewise, the National Bank of Romania is responsible for the licensing and prudential supervision of credit co-operative organisations and savings institutions financing the housing sector (Law on savings institutions financing the housing sector).

1.3.1.2 General responsibilities of the national central bank

General responsibilities of the NBR:

(i) Monetary policy:

“Within the framework of the monetary policy, the NBR uses procedures and instruments specific to money markets, lending to banks and controlling liquidity through the policy of minimum reserve requirements.”

(ii) Foreign exchange policy and management:

“The NBR elaborates and implements the exchange rate policy, and establishes and monitors the enforcement of the foreign exchange regime on Romanian territory.”

“The NBR acts as a State agent as regards the implementation of any legal regulation on foreign exchange control on the legal persons licensed by it.”

(iii) Money issue:

“The NBR is the only institution authorised to issue money in the form of banknotes and coins as legal tender on Romanian territory.”

(iv) Operations with banks:

“According to its monetary, foreign exchange, lending and payment policies, the NBR may grant loans to banks, with up to 90-day maturity.”

“The NBR opens a current account for the State Treasury, for each bank and for each foreign bank branch and legal entity licensed to operate in Romania.”

“The NBR issues general regulations regarding payment instruments, co-ordinates and supervises the domestic payment system, and defines the steps to be taken in order to prevent and remove any situation that might jeopardise the sound functioning of the payment systems.”

“The NBR may provide clearing, depository and payment services through accounts opened in its records.”

“In order to mitigate and hedge credit and payment-related risks, the NBR may supply, against payment, data and information on payment incidents and lending risks in the banking system, in compliance with the confidentiality of banking operations.”

Romania

- (v) Operations on the Government's account:

"The NBR keeps the general current account of the Treasury opened in the name of the Ministry of Finance."

- (vi) Gold and foreign assets operations:

"The NBR, while observing the general rules on liquidity and specific risk for foreign assets, sets and holds international reserves in such a way as to periodically assess their exact size."

- (vii) Banking supervision:

"According to the provisions of the banking legislation, the NBR has exclusive competence in granting banks operating licenses, and is responsible for the prudential supervision of the banks it has authorized to operate in Romania as Romanian legal entities or foreign bank branches. At the same time, according to the provisions of Emergency Ordinance No. 97/2000, the NBR is in charge of licensing and supervision of the credit cooperatives organisations."

- (viii) Co-operation with State authorities:

"The NBR co-operates with central and local public authorities in fulfilling its goals.

In pursuit of its fundamental objective, the NBR will be required to state its point of view on public authority regulations directly concerning monetary policy, banking activity, the foreign exchange regime and public debt.

Central administration budget bills are to be drafted in consultation with the NBR inasmuch as the terms of public sector loans are concerned.

The NBR performs studies and surveys on currency, lending, banking operations and payments for its own use or the use of public authorities."

"In order to fulfil the commitments arising from agreements, treaties and conventions which Romania is part of, the NBR co-operates with competent national and international authorities by providing information, taking adequate measures or by any other means."

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The main responsibilities of the NBR in the field of macroeconomic statistics consist of the compilation of monetary and banking statistics, balance of payments (b.o.p.) statistics and the financial accounts.

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

The NBR co-operates with the National Institute for Statistics in the compilation of the Romanian national accounts, the compilation of b.o.p. statistics and with the Ministry of Public Finance as regards the government sector and the external sector. Prudential supervision is the exclusive responsibility of the NBR.

1.3.2.3 An overview of statistical data collection and compilation

The primary statistical sources are provided by the Ministry of Public Finance (balance sheets of non-financial enterprises, insurance

companies and non-profit institutions) and by the NBR (balance sheets of banks, monetary statistics, b.o.p. statistics and prudential indicators).

See Table I.

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>Balance sheet of the NBR, balance sheets of banks:</p> <p>After having received the NBR's balance sheet from the Accounting Department between the 15th and 20th day of the month following the reference month, the Statistics Department produces the analytical accounts for the central bank within two days. The compilation of the analytical accounts within one month is deemed timely.</p> <p>The accounts for commercial banks are compiled on a monthly basis. Banks transmit their data on hard copy through the interbank communication network to NBR's Statistics Department. According to the regulations, the commercial banks must transmit the requested data between the 15th and 20th day of the month following the reporting date.</p> <p>The monetary survey is compiled within five to seven days after the data are obtained by the Statistics Department from the Accounting Department and the commercial banks. The data are generally available by 25 days after the reference month.</p>	<p>Reporting of interest rate data by banks:</p> <p>The commercial banks provide data on lending and deposit rates to the NBR by the end of the 15th day after the reference month.</p>	<p>Reporting of security issues data by banks:</p> <p>The commercial banks provide security issues data to the NBR by the end of the 15th day after the reference month.</p>
Collecting agents	NBR	NBR	NBR
Users	NBR, National Institute for Statistics, Ministry of Public Finance, other public authorities.	NBR, National Institute for Statistics, Ministry of Public Finance, other public authorities.	NBR, National Institute for Statistics, Ministry of Public Finance, other public authorities
Description	Data are collected on paper and/or electronically.	Data are collected on paper and/or electronically.	Data are collected on paper and/or electronically.

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	Balance sheets of the NBR (monthly/20 to 25 days after the reporting date).	Balance sheets of non-financial corporations, financial auxiliaries, insurance corporations, public institutions and non-profit institutions serving households; monetary survey; balance of payments.	Bank reports on international transactions, customs data on the balance of trade (monthly/45-60 days after the reporting date).	Financial results and patrimony statement; balance sheet and profit and loss account; level of foreign exchange position; own funds; solvency ratio; amount of the loans granted to insiders; loan classification and the setting up of risk provisions; risk provisions for past due interests for some types of loans granted and for placements with other banks; net assets evaluation. (monthly /10-15 days after the reporting date, in the case of prudential reports, excepting foreign exchange position/1 to 3 days after the reported date;quarterly/30 days after the reporting date, in the case of financial reports)
Collecting agents	NBR	NBR, National Institute for Statistics, Ministry of Public Finance	NBR	NBR
Users	NBR, National Institute for Statistics, Ministry of Public Finance, other public authorities	NBR, National Institute for Statistics, Ministry of Public Finance, other public authorities	NBR, National Institute for Statistics, Ministry of Public Finance, other public authorities	NBR, National Institute for Statistics, Ministry of Public Finance, other public authorities
Description	Data are collected on paper.	Data are collected on paper and/or electronically.	Data are collected on paper and/or electronically.	Data are collected on paper and/or electronically.

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

According to Article 51 of Law No. 101/1998 regarding the Statute of the NBR, the NBR is entitled to collect information from the banks that are licensed by the NBR. These banks report monetary data.

Law No. 101/1998 is available on the NBR website at www.bnro.ro.

2.1.2 Statistical standards

Statistical standards consist of the chart of accounts for the central bank, the chart of accounts for banks, and the IMF Manual on Monetary and Financial Statistics.

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

The economic territory of Romania is identical to its geographic territory.

The following categories are considered as residents:

a) Legal persons (enterprises):

- public institutions, autonomous regions, companies, associations, clubs, leagues and any other profit-making or non-profit organisations with legal personality, registered or authorised to carry on activities in Romania;
- individuals and family associations authorised according to the provisions of Decree Law No. 54/1990 regarding the organisation and development of certain economic activities based on free enterprise, as amended;
- subsidiaries, branches, representations, agencies and offices of foreign legal persons, registered and/or authorised to carry on activities in Romania;
- embassies, consulates and other representations of Romania abroad;
- subsidiaries, branches, representation offices, agencies and offices of Romanian firms which carry on activities abroad but which are not registered as legal persons abroad.

Foreign branches of domestic banks are classified as non-resident (foreign assets and foreign liabilities), whereas domestic branches of foreign banks are classified as resident (domestic assets and domestic liabilities).

b) Individuals (natural persons):

- individuals, Romanian citizens, domiciled in Romania, as certified by an identity card issued by the appropriate authorities;
- individuals with other citizenship and individuals with no citizenship (stateless), domiciled in Romania, as certified by an identity card issued by the appropriate authorities.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

Romania

Table 2

Sector classification ¹⁾	Sectors	Definitions
Money-creating sector	Central bank	The monetary authority.
	Commercial banks	A legal entity authorised to accept deposits and grant credits in its own name and on its own account as its main business activity.
	Savings and loans banks	Commercial banks that accept deposits and grant credits to natural persons and small companies.
	Subsidiaries of foreign banks	A legal entity where another person or a group of persons acting jointly hold 50% or more of the voting rights or a significant stake, allowing effective control to be exercised over the management or policies of the subsidiary.
	Branches of foreign banks	Operational units of a bank without their own legal personality, directly carrying on all or some of the bank's activities within the limits of the terms of reference stipulated by the bank.
	Credit unions and co-operatives	Legal associations of private entities that conduct banking operations.
Money-holding sector	Insurance companies	Companies that provide financial benefits to clients in the event of a specific loss.
	Mutual funds	Institutions that operate through investment companies to raise money from shareholders and to invest this money.
	Financial leasing companies	Companies that provide financing to borrowers for the purchase of assets.
	Securities firms	Companies that trade securities and futures contracts for their own and their customers' account.
	Bureaux de change (foreign exchange offices)	Entities that trade domestic currency for foreign currency.
	Deposit Guarantee Fund	An institution for the protection of household deposits.
	Agency for the recovery of banking assets	A government agency which recovers the non-performing loans of major state-owned banks.
	Non-financial corporations	Corporations that produce goods or non-financial services.
	Non-profit institutions	Charitable organisations or associations of persons that are not profit-oriented.
	Households	Small groups of persons who share the same living accommodation and income.
Money-neutral sector	General government	The fiscal and economic authority.
Non-resident sector	Foreign banks and others (governments, international organisations and institutions, embassies, foreign households and corporations)	Foreign entities engaged in significant economic activity in Romania for at least one year.

1) Romania has not yet implemented a monetary statistics sector classification

2.2.2.2 Comparison between sectors of the national economy and the ESA 95

Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification	
Money-creating sector	Central bank		S121 Central bank	S12 Financial corporations	Money-creating sector	
	Commercial banks, savings and loans banks, subsidiaries of foreign banks, branches of foreign banks, credit unions and co-operatives		S122 Other monetary financial institutions			
Money-holding sector	Mutual funds, financial investment companies, financial leasing companies		S123 Other financial intermediaries, except insurance corporations and pension funds		S11 Non-financial corporations	Money-holding sector
	Securities firms, bureaux de change (foreign exchange offices), Deposit Guarantee Fund in the Banking System		S124 Financial auxiliaries			
	Insurance companies		S125 Insurance corporations and pension funds			
	Non-financial corporations		S14 Households			
	Households		S15 Non-profit institutions serving households			
	Non-profit institutions					
Money-neutral sector	General government	Agency for the recovery of banking assets	S1311 Central government	S13 General government	Money-neutral sector	
			S1312 State government		Money-holding sector	
			S1313 Local government			
			S1314 Social security funds			
Non-resident sector	Non-resident sector		S211 EU countries	S2 Rest of the world	Non-resident sector	
			S212 Institutions of the EU			S21 European Union
			S22 Third countries and international organisations			

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

According to the legal provisions in force, a credit institution is a legal person authorised to accept deposits and other reimbursable funds from the public and to grant loans in its own name and on its own account. This category comprises banks, credit co-operative organisations and savings institutions financing the housing sector. All credit institutions are subject to the NBR’s authorisation, prudential regulation and supervision.

2.3.2 Definition of other monetary financial institutions

Not applicable.

2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

Table 4

As at end-December 2002

Institutions	Number of institutions
National central bank(s)	1
Credit institutions	40
Banks and branches of foreign banks	39
Credit co-operative organisations	1
Other monetary institutions	0
Total	41

2.4 Banking business: general deposits/other products

Banks obtain their funds from the public by means of the demand and time deposits of economic agents (in national currency – ROL); household savings (demand and time);

residents’ foreign exchange deposits (demand and time); and certificate deposits.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

Balance sheet of the NBR:

- Foreign assets (gold; convertible currencies: gross claims on non-residents including holdings of SDRs and foreign exchange, deposits at foreign banks, Treasury bills, other foreign assets) and domestic assets (vault cash, credit to government, interbank assets, other domestic assets).
- Foreign liabilities (deposits of foreign banks, loans from foreign banks, SDR purchases from the IMF, other foreign liabilities) and domestic liabilities (currency issue, government deposits, interbank liabilities, capital accounts, other domestic liabilities).

Aggregate balance sheet of banks:

- Foreign assets (cash, deposits with foreign banks, stakes in foreign banks, foreign securities, other foreign assets) and domestic liabilities (credits to non-government, credits to government, interbank assets, other domestic assets).
- Foreign liabilities (borrowings from foreign banks, deposits of foreign banks) and domestic liabilities (domestic clients’ deposits, government deposits, interbank liabilities, capital accounts, other domestic liabilities).

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

Assets

- Domestic credit
 - credit to government, net
 - credit to non-government
- in ROL
- short term
 - medium and long term
- in convertible currencies
- short term
 - medium and long term

Liabilities

- Demand and time deposits in ROL
- Household savings
 - demand deposits
 - time deposits
- Residents' foreign exchange deposits (demand and time)

2.6 Measure(s) of money: definitions and remarks

2.6.1 Definition of money and breakdown of monetary aggregates by instrument

See Box 1.

2.6.2 Sectoral allocation of holdings of negotiable instruments

The transferable instruments included in the monetary survey comprise, inter alia, cash and certificates of deposit. An accurate sector breakdown of transferable instruments cannot be derived for banking statistics purposes.

2.7 Counterparts of money

See Box 2.

2.8 Reserve money

Reserve money includes currency outside the central bank and commercial banks' current accounts with the central bank.

Box 1

M0 includes

- currency outside the central bank
- commercial banks' current accounts with central bank currency in issue

M1 includes

- currency outside banks
- demand deposits

Quasi-money includes

- household savings
- time deposits
- restricted deposits
- certificates of deposit
- foreign currency deposits of residents

M2 includes

- M1
- Quasi-money

Box 2

Net foreign assets	government securities in ROL and in foreign currencies, and other extra-budgetary funds)
Gold	
Convertible currencies, net	– <i>credit to non-government</i>
Net domestic assets	in ROL
Domestic credit	in convertible currencies
– <i>credit to government, net</i> (General Account of State Treasury, other credits to government:	Other items, net

2.9 Reporting procedures**2.9.1 Powers to collect statistics and collecting agents**

The NBR collects primary data from commercial banks for monetary statistics purposes pursuant to Law No. 101/1998 regarding the Statute of the NBR and Law No. 58/1998 (the Banking Act).

Money and banking and other financial statistics are compiled by the Statistics Department. The methodology underlying monetary statistics is based on the IMF's Manual on Monetary and Financial Statistics and the Guide on Monetary and Banking Statistics.

2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

2.9.3 Reporting schemes

Banks report their data (full balance sheet) on hard copy and through the interbank communications network to the NBR's Statistics Department. Regulations specify that the commercial banks should transmit the requested data between the 15th and 20th day of the month following the reporting date. The accounts of the banks are maintained as stock data in millions of ROL.

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number of reporting agents	% (of the total category)	% (of the total balance sheet of all the institutions)
National central bank	1	100	40.1
Credit institutions	40	100	59.9
Banks and branches of foreign banks	39	100	59.9
Credit co-operative organisations	1	100	Not yet collected
Other monetary financial institutions	-	-	-
Total	41		100

2.9.4 Special reporting procedures for the national central bank

The accounts of the NBR are maintained as stock data in millions of ROL. After having received the balance sheet of the NBR from the Accounting Department between the 15th and 20th of the month following the reference month, the Statistics Department needs three days to produce the analytical accounts for the central bank. The compilation of the analytical accounts within one month is deemed timely.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

Data provided by banks are end-of-period data.

2.10.2 Revisions

Data may be subject to revisions after publication, mainly due to updating needs. No specific rules are applied. Explanatory notes for revised data are inserted into the publication.

2.10.3 Derivation of flow statistics

Not applicable.

2.10.4 Seasonal adjustment

Techniques for the seasonal adjustment of data are not used.

2.11 Publications

2.11.1 First release of data (including means of distribution)

Relevant publications for monetary statistics:

- Annual report, NBR;
- Monthly Bulletin, NBR;
- Macroeconomic Indicators, NBR;
- National Accounts;
- Balance of payments and international investment position (i.i.p.);
- The Internet (NBR website).

The following statistics are published on a monthly basis in the Monthly Bulletin of the NBR: balance sheet of the NBR, aggregate balance sheet of banks, consolidated monetary survey, reserve money, broad money, domestic credit, interest rates applied by the NBR and by banks. The Monthly Bulletin also includes: money market indicators, interbank foreign exchange market, capital market, the b.o.p., the i.i.p., main macroeconomic indicators, consumer prices and industrial producer prices. The data are published in more detail in the NBR's Annual Report.

Provisional data in the NBR Bulletin may be revised in the following month's edition.

2.11.2 Core weekly/monthly publications

Same as for first publication.

2.11.3 Other statistical publications

No relevant publications other than those listed in Section 2.11.1.

Romania

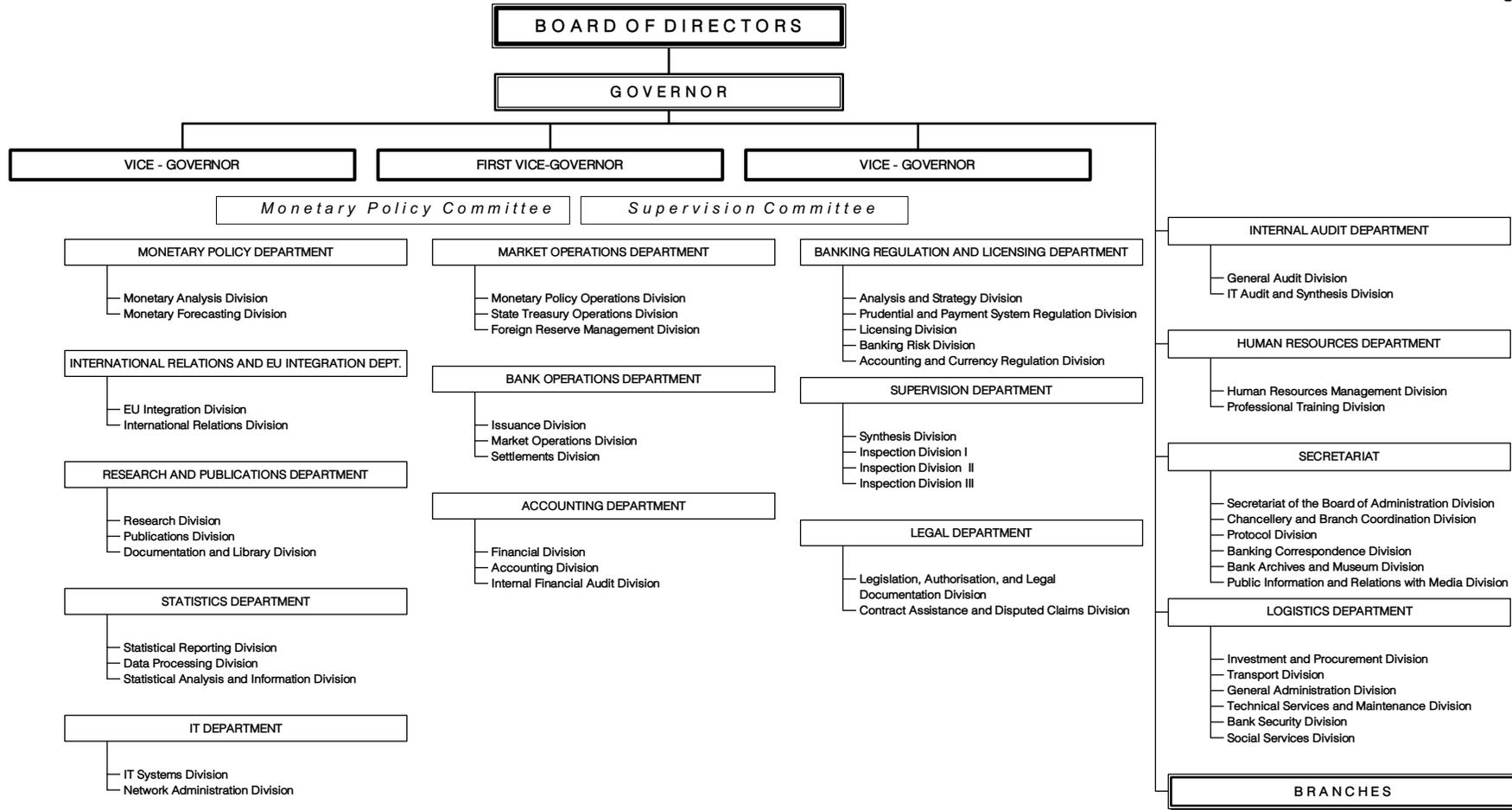
3 Contacts at the National Bank of Romania

Any queries concerning the issues described in this country chapter should be addressed to: Statistics Department/Statistical Analysis and Information Division

National Bank of Romania
25, Lipscani Street
Telephone: 004021-315-2836
Fax: 004021-312-7193
E-mail: virgil.stefanescu@bnro.ro

Organisation Chart of the National Bank of Romania – as of 1 December 2002

Annex

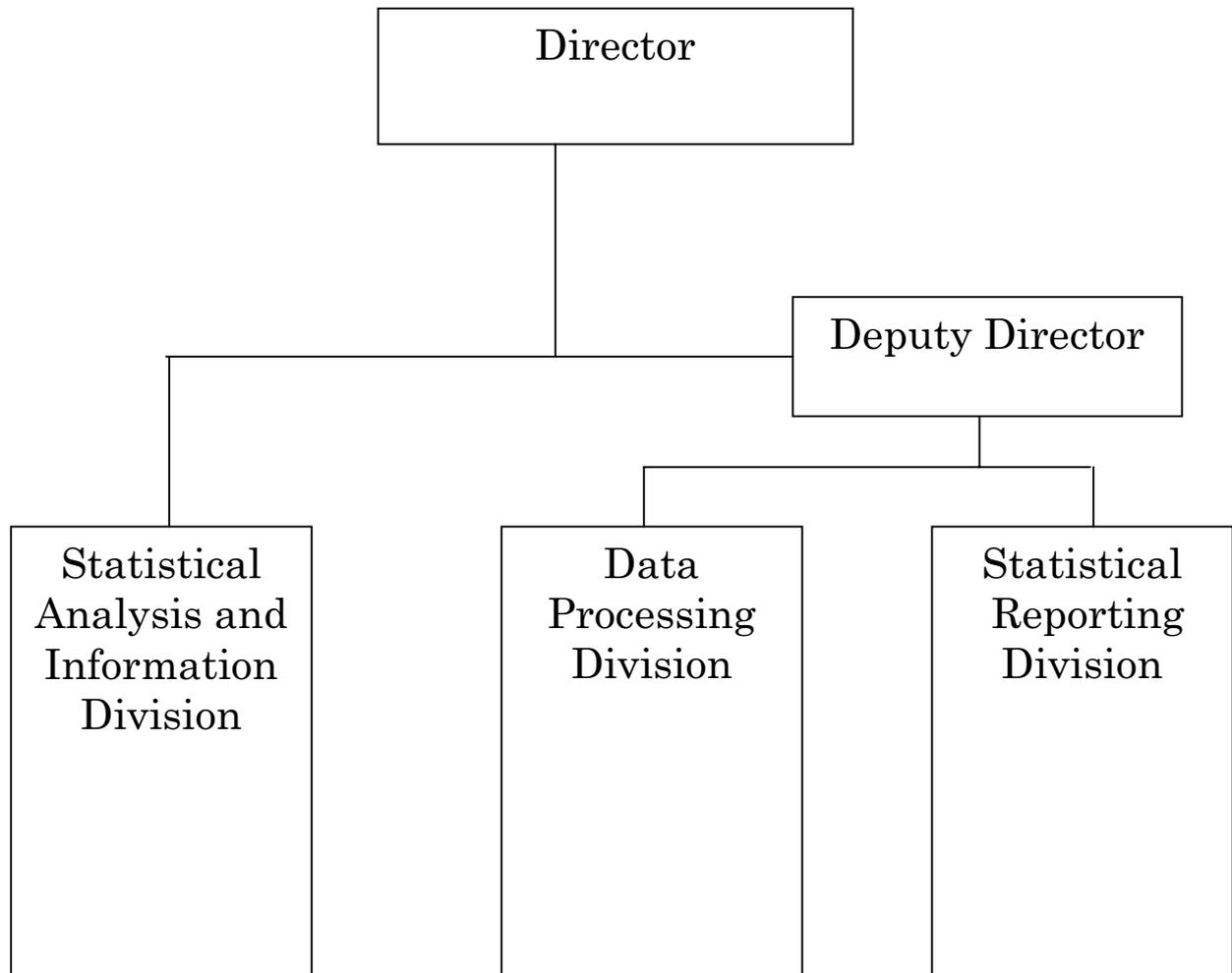


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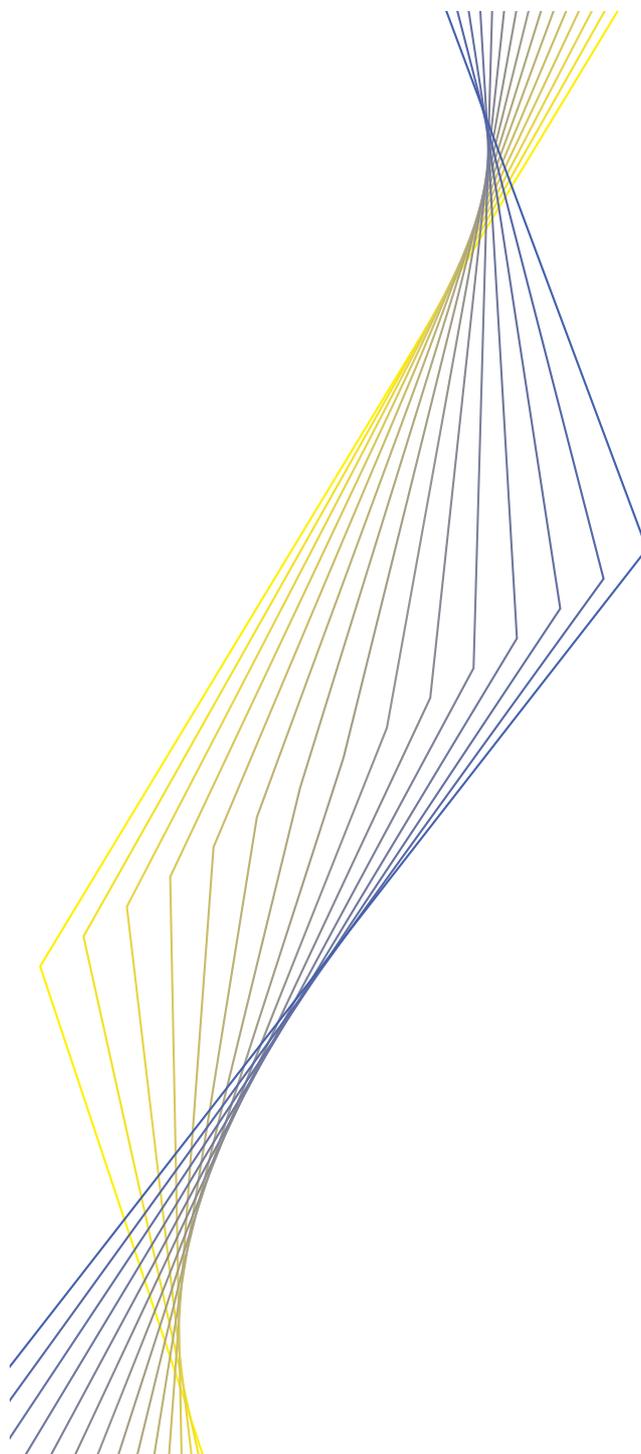
Annex 2

Organisation chart of the Statistics Department of the NBR





EUROPEAN CENTRAL BANK



Slovakia

Slovakia

List of abbreviations

b.o.p.	balance of payments
CIs	credit institutions
Coll.	Collection of laws
ECB	European Central Bank
FMA	Financial Market Authority
GDP	gross domestic product
MMF	money market fund
MoF	Ministry of Finance
NBS	Národná banka Slovenska – National Bank of Slovakia
OECD	Organisation for Economic Co-operation and Development
SKK	Slovak koruna
SOSR	Statistical Office of the Slovak Republic
SR	Slovak Republic

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

The National Bank of Slovakia (NBS) consists of a head office in Bratislava, as well as branch offices and special organisational units. The headquarters is divided into the Governor's office, Audit Department and eight Divisions. Each Division is further divided into Departments and Sections.

See Annex 1.

I.1.2 Organisation of the statistical work at the national central bank

Statistical work in the NBS is concentrated in the Statistics Department, which is a part of the Monetary Division. The Statistics Department is further divided into four sections: Non-bank Statistics, Banking Statistics, Foreign Exchange Statistics and Statistics for International Institutions. There is also the Balance of Payments Section, which is a part of the Monetary Policy Department.

See Annex 2.

I.2 Legal background

- The NBS Act

Act of the National Council of the SR No. 566/1992 Coll. dated 18 November 1992 on the National Bank of Slovakia, as amended by Act No. 26/1993 Coll., Act No. 159/1993 Coll., Act No. 249/1994 Coll., Act No. 374/1994 Coll., Act No. 202/1995 Coll., Act No. 118/1996 Coll., Act No. 386/1996 Coll., Act No. 348/1999 Coll., and Act No. 149/2001 Coll.

- The Banking Act
- Act No. 483/2001 Coll. dated 5 October 2001 on Banks and on amendments to certain laws.
- The Act of the National Council of the Slovak Republic (SR) No. 118/1996 Coll. dated 20 March 1996 on the protection of bank deposits with amendments to related laws as laid down by Act No. 154/1999 Coll., Act No. 397/2001 Coll. and Act No. 492/2001 Coll.
- The Act of the National Council of the Slovak Republic No. 566/2001 Coll. dated 9 November 2001 on securities and investment services and on amendments to certain laws.
- The Foreign Exchange Act of the National Council of the SR No. 202/1995 Coll. dated 20 September 1995 which amends and augments Act No. 372/1990 Coll. on infringements as amended by later regulations including Act No. 45/1998 Coll., Act No. 200/1998 Coll., Act No. 388/1999 Coll., Act No. 367/2000 Coll. and Act No. 442/2000 Coll.
- Act No. 456/2002 Coll. dated 25 June 2002, which amends and augments the Foreign Exchange Act.
- The Act of the Slovak National Council No. 310/1992 Coll. dated 6 May 1992 on Home Savings as amended by Act No. 386/1996 Coll., Act No. 242/1999 Coll. and Act No. 443/2000 Coll.
- Regulation of the Ministry of Finance of the SR and the National Bank of Slovakia No. 390/1999 Coll. dated 21 December 1999 implementing certain provisions of the Foreign Exchange Act.

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- Act No. 431/2002 dated 18 June 2002 on accounting, valid since 1 January 2003. Until this date, Act No. 563/1991 dated 12 December 1991 on accounting was valid.
- Act No. 432/2002 dated 18 June 2002, which amends and augments Act No. 385/1999 Coll. on Collective Investment.
- Decree of the NBS No. 18/2001 dated 21 December 2001 specifying the prescribed content of a detailed audit report for banks and branches of foreign banks.

Selected decrees of the NBS:

- Decree of the NBS No. 3/1995 dated 3 March 1995 on the Rules for Evaluating Bank Claims and Off-balance Sheet Liabilities in Terms of Risk Exposure and for Reserving Funds as Provision against such Risks.
- Decree of the NBS No. 2/2000 dated 14 February 2000 on the Capital Adequacy of Banks as amended by Decree No. 8/2001 dated 25 May 2001.
- Decree of the NBS No. 5/2000 dated 14 February 2000 on the Limitations on Open Foreign Exchange Positions of Banks as amended by Decree No. 1/2001 dated 22 December 2000.
- Decree of the NBS No. 3/2001 dated 22 December 2000 on disclosure of information by banks and branch offices of foreign banks.
- Decree of the NBS No. 10/2001 dated 25 May 2001 concerning the reporting of information by banks and branches of foreign banks to the National Bank of Slovakia.
- Decree of the NBS No. 14/2002 dated 12 December 2002 on the submission of reports by banks and branches of foreign banks to the National Bank of Slovakia.
- Decree of the NBS No. 12/2001 dated 21 December 2001 stipulating the requisite criteria for an application for authorisation to operate as a bank.
- Decree of the NBS No. 13/2001 dated 21 December 2001 stipulating the requisite

criteria for an application for a banking licence by a foreign bank wishing to undertake banking activities at a branch in the SR.

- Decree of the NBS No. 2/2002 dated 26 July 2002 on the Liquidity Rules for Banks and Branch Offices of Foreign Banks.

Most of these regulatory texts can be found on the NBS's website at www.nbs.sk.

1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The NBS Act establishes the NBS and defines its role and function:

- (1) The NBS is established as the independent central bank and bank of issue of the Slovak Republic;
- (2) the NBS is a legal person not registered in the Corporate Register, with its headquarters in Bratislava;
- (3) the NBS has the authority to issue generally binding regulations within the limits prescribed by the NBS Act or special regulations; and
- (4) the position of the NBS in handling its own property is the same as that of a private business in dealings concerning rights of ownership.

1.3.1.2 General responsibilities of the national central bank

The primary objective of the NBS is to maintain *price stability*. To this end, the NBS:

- a) determines monetary policy;
 - b) issues banknotes and coins;
 - c) controls the circulation of money, co-ordinates payments and settlement between banks, and ensures the efficient and economical conduct of these operations;
 - d) supervises the safe functioning of the banking system and conduct of banking activities pursuant to this Act and special regulations; and
 - e) performs other activities pursuant to the NBS Act.
- b) verification of fulfilment of the conditions needed to obtain a banking licence, as well as licences granted under separate regulations; and
 - c) verification of compliance with regulations issued by the NBS and obligations imposed by law.

Relationship with the Government:

While respecting its primary objective, the NBS supports the economic policy of the Government.

The NBS fulfils its tasks pursuant to Article 2 of this Act independently of government instructions.

The NBS:

- a) is required to submit a half-yearly report on monetary developments to the Slovak National Council;
- b) is required to publish information concerning monetary developments at least once every three months;
- c) represents the SR in international financial institutions and ensures the implementation of tasks arising from this representation; and
- d) represents the SR in activities on world financial markets.

The Governor, or a member of the Bank Board elected by the Governor, informs the Government of the resolutions of the Bank Board and its conclusions.

The NBS gives its opinion on proposals submitted to the Government for consideration concerning the scope of activities of the NBS.

The NBS serves the Government in an advisory capacity on matters within the scope of its authority.

The Governor of the NBS or, during his or her absence, a Vice-Governor elected by the Governor, has the right to participate in meetings of the Government. The Governor is not a member of the Government.

Supervision performed by the NBS

The NBS ensures the safe functioning of the banking system and banks, the Deposit Protection Fund, and other entities/groups of entities, where required by a special law.

Banking supervision includes:

- a) assessment of applications for banking licences pursuant to separate regulation;

Operations with Banks

The NBS is entitled to conclude and conduct with banks, foreign banks, and other financial institutions all types of banking operations in accordance with the provisions of the NBS Act.

The NBS may purchase from or sell to banks:

- a) bills of exchange maturing within six months from the date of their purchase by the NBS, bearing at least two signatures of which at least one signature is made on behalf of a bank;
- b) Government bonds, or other securities guaranteed by the Government, which it may hold for a maximum period of one year.

Operations with the SR

The NBS keeps the revenue and expenditure accounts of the State budget, the records of State financial assets and liabilities and of State special-purpose funds, and other accounts of State budget-funded organisations. The NBS may only make payments from its accounts.

The NBS places government bonds in agreement with the Ministry of Finance (MoF).

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The NBS is responsible for the compilation of statistics in the areas of the reserve base (Banking Transactions Department), the balance of payments (Balance of Payments Section) and prudential supervision (Banking Supervision Division).

The agency responsible for compiling balance of payments (b.o.p.) data is the NBS's Balance of Payments Section, which has been compiling monthly, cumulative b.o.p. statistics for the SR since 1993. The monthly b.o.p. (standard presentation) of the SR is published in the regular reports of the NBS which are submitted twice a year to the Slovak Parliament. The b.o.p. data are also disseminated monthly to the public via the NBS's website.

The main task of the Non-bank Statistics Section is to collect returns from legal entities, individuals and businesses, with the exception of banks and branch offices of foreign banks, detailing their cross-border transactions and foreign assets and liabilities. The reporting of transactions between residents and non-residents is based on direct reporting by companies. A summary of the data concerning the foreign assets and liabilities of the corporate sector is one of the inputs used to compile the b.o.p. The section compiles and analyses data on foreign direct investment within the scope of the capital and financial accounts of the b.o.p., as well as on inflows and outflows of equity capital and reinvested earnings into/from the SR.

1.3.2.2 Main responsibilities of other public authorities in the field of macroeconomic statistics and co-operation with the national central bank

Statistical Office of the Slovak Republic (SOSR)

In accordance with the Act on official statistics, the SOSR performs the following tasks:

- a) it elaborates the policy principles for the official statistics of the SR and the Programme of Statistical Surveys;
- b) it defines methodology in the field of official statistics;
- c) it organises and conducts surveys, and collects and processes statistical data;
- d) it ensures comparability of statistical information from an international point of view to enable an assessment of developments in the SR;
- e) in co-operation with the competent central governmental bodies, it prepares statistical classifications, nomenclatures and registers;

f) it proposes the method for producing identification numbers for reporting units, and directs their allocation and notification to these units;

g) it defines appropriate data collection and processing methodologies;

h) it provides the public with regular information on the state of the economy; and

i) it conducts public opinion research on actual social phenomena.

The SOSR provides information on the gross domestic product (GDP), consumer prices (of goods and services), producer prices, inflation (the monthly, annual and average annual rates), unemployment and foreign trade.

The Ministry of Finance

The task of the MoF is to accomplish the strategic aims of the Government's financial and economic policy. In its capacity as a State administrative authority, it manages and administers fiscal, price, tax and tariff policy.

The MoF carries out state competencies in banking, insurance and capital market matters. Its competencies also include foreign exchange policy.

The MoF and the NBS co-ordinate their activities to provide the Slovak financial market with invaluable information. They constitute an integrated institutional, legislative and regulatory framework for the money and capital markets.

The Financial Market Section covers the banking and insurance industries, collective investment activities and securities broking, and capital markets.

The Treasury Section covers accounting methodology and issues related to the chart of accounts and accounting procedures for banks.

Financial Market Authority (FMA)

The FMA is responsible for:

a) state supervision of the capital markets and insurance sector,

b) making decisions regarding the rights, legally-protected interests and duties of legal and natural persons in the field of the capital markets and insurance sector,

c) keeping and publishing the list of entities licensed by the FMA,

d) co-operating with the MoF in the area of financial policy formulation and implementation.

In this particular area, the FMA contributes to:

- the analyses of capital markets and the insurance sector
 - the preparation of plans for the development of the above, and
 - the preparation of generally-binding regulations on the above.
- e) co-operation with other countries' supervisory bodies in the field of capital markets and the insurance sector.

Slovakia

1.3.2.3 An overview of statistical data collection and compilation

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<p>1. Assets and liabilities statement of credit institutions (CIs) in SKK and foreign currency.</p> <p>Balance sheet report of the NBS.</p> <p>Statements of credits.</p> <p>Statement of deposits.</p> <p>Report on securities held by CIs.</p> <p>2. Balance sheet (stocks) – NBS, CIs (Regulation ECB/13/2001, Table 1)</p>	<p>Report on average interest rates on credits and new credits granted in the actual month in SKK.</p> <p>Report on average interest rates on deposits and new deposits (Regulation ECB/18/2001; partially).</p> <p>Report on interbank credits and deposits. Financial market interest rates.</p>	<p>Money market papers (State Treasury bills, NBS bills, Certificates of Deposits).</p> <p>Capital market papers (shares, bonds).</p> <p>Investment securities.</p>
Collecting agents	NBS	NBS	NBS (from CIs, registration of State Treasury bills, NBS bills), Securities Centre of Slovakia (registration of book-entry, changes in ownership).
Users	<p>1. NBS, CIs, SOSR, MoF, IMF, OECD.</p> <p>2. IMF, ECB.</p>	NBS, CIs, SOSR, MoF, IMF, ECB, Eurostat.	NBS, SOSR, MoF, Eurostat.
Description	Data are transmitted, collected and compiled via the “Status” electronic network.	Data are transmitted, collected and compiled via the “Status” electronic network.	Data are transmitted, collected and compiled via the “Status” electronic network.

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	<p>From regular reports from CIs:</p> <ul style="list-style-type: none"> • non-term and term deposits in SKK and foreign currency; • promissory notes (of commercial banks); • securities issued by both commercial banks and non-banking customers; • other deposits transferred to customer accounts (from interbank clearing accounts in connection with the three-day lag for settlement of payments). <p>Foreign bank deposits in commercial banks (in SKK and foreign currency).</p>	<p>Yearly statements of account/balance sheets:</p> <p>a) statistical statements;</p> <p>b) balance of payments;</p> <p>c) international investment position;</p> <p>d) banking and government statistics.</p>	<p>1) Data on goods are based on trade statistics compiled by the SOSR. The data are prepared by the Customs Office on the basis of customs declarations. Data are valued at market prices and recorded at the time of border crossing.</p> <p>These data enable a territorial and commodity breakdown of SR exports and imports.</p> <p>2) Commercial banks:</p> <ul style="list-style-type: none"> • the monthly report "Foreign exchange income and payments". The data are used for the compilation of the current account (services, income, current transfers); • the quarterly report "Foreign exchange incomes and payments – geographical breakdown"; • the monthly report "Foreign exchange position". The data are used for the compilation of the financial accounts. <p>Banking reports are collected and processed by the Statistics Department of the NBS.</p> <p>3) Enterprises:</p> <ul style="list-style-type: none"> • the monthly report "Foreign assets and liabilities". The stock and flow data are used for the compilation of the financial accounts. Data are obtained from each enterprise with foreign assets or liabilities exceeding SKK 1 million at the reference date. Currently, data are collected from about 4,000 enterprises; • the quarterly report "Direct investment – territorial and economic activity structure". In this report, the territorial and economic activity structure for direct investment is given (for both stocks and flows). <p>Enterprise reports are collected and processed by the Statistics Department of the NBS.</p> <p>4) Data from divisions of the NBS:</p> <p>These data are mainly used to report changes in reserves.</p>	<p>Data from regular reports from CIs on:</p> <p>a) Uncovered foreign exchange positions</p> <p>b) Capital and reserves</p> <p>c) Monthly liquidity</p> <p>d) Capital adequacy</p> <p>e) Credit exposure</p> <p>f) Classification of claims and liabilities</p> <p>g) Delayed claims</p>
Collecting agents	The Banking Statistics Section of the NBS	SOSR Datacentrum NBS MoF	NBS	NBS
Users	The Banking Transactions Section of the NBS	NBS SOSR MoF Eurostat OECD	NBS SOSR CIs	NBS

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Description	The reserve base is calculated as the average of collected deposits on three dates. For instance, the reserve base for May is calculated from deposits as reported on 30 April, 10 May and 20 May.	The automated processing of the state statistical survey involves the following activities: a) creation of a file for the reporting units; b) data collection and recording; c) automated error checking and correction; d) data origination; e) saving the file in the database; and f) further data processing and production of output tables.	Survey system (enterprises). Foreign exchange records (Banking system).	Data are transmitted, collected and compiled via the "Status" electronic network.

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

- Regulation of the MoF of the SR No. 20/359/2002 dated 13 November 2002 on the accounting system and accounting procedures for banks, branch offices of foreign banks, the NBS, deposits security fund, securities traders, branch offices of foreign securities traders, guaranty investment funds, asset management companies, branch offices of foreign asset management companies and mutual funds.
- Resolution of the NBS No. 1 dated 5 March 1999 concerning minimum reserve requirements as amended by the resolution No. 4 dated 22 December and resolution No. 1 dated 25 May 2001.
- Regulation of the NBS No. 5 dated 10 September 1999 stipulating the conditions for balance of payments co-ordination in the SR.

- Resolution of the NBS No.3 dated 14 December 2001 stipulating the conditions for the maintenance of minimum reserves by banks in 2002.

- Decree of the NBS No. 4/2002 on the accounting system of the NBS.
- Decree of the SOSR No. 449/2000 dated 8 December 2000 concerning the classification of institutional sectors and sub-sectors (according to the ESA 95).

2.1.2 Statistical standards

The following international statistical standards have been adopted for the concepts and principles applied to all aspects of monetary statistics:

- The International Accounting Standards, renamed the International Financial Reporting Standards;
- A new sector classification consistent with the ESA 95 was implemented in January 2002;

- the IMF Manual on Monetary and Financial Statistics;
- the IMF Balance of Payments Manual (5th edition);
- Eurostat's Balance of Payments Vademecum, February 2000.
- Regulation of the ECB No. 13/2001.
- Regulation of the ECB No. 18/2001.

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

For the purposes of monetary statistics, selected terms used in the Foreign Exchange Act of the National Council of the SR No. 202 dated 20 September 1995, as amended by Act No. 442/2000 Coll. and Act No. 456/2002 Coll. are explained as follows:

- “country” refers to the territory of the SR;
- “residents” are legal persons permanently based in the country or natural persons

with permanent or long-term residence in the country; an organisational unit of a resident based abroad is also considered to be resident of the country and is registered in the Corporate Register;

- “non-residents” are legal or natural persons who are not resident in the country; a non-resident may also be understood as an organisational unit of a non-resident operating in the country, with the exception of a branch office of a foreign bank (Article 5 of the Act No. 21/1992 Coll. on banks) operating in the country on the basis of a banking licence, in which case it has resident status.

Definitions of economic and geographic territory are identical as in the ESA 95, paragraphs 2.04 to 2.06.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

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2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

Table 2

Statistical classification	Sectors	Definitions	
Money-creating sector	S12	Financial corporations	
	S121	Central bank – in the SR, the NBS	
	S122	Other financial institutions	
	S12201 S12202 S12203	Public Private Under foreign control	
Money-holding sector	S123	Other financial intermediaries	
	S12301 S12302	Financial leasing, investment funds Investment companies	
	S124	Financial auxiliaries	
	S125	Insurance corporations and pension funds	
	S14	Households	
	S15	Non-profit institutions serving households	
Money-neutral sector	S13	Government	
	S1314 S1313 S1312 S1311	Social security funds Local government/local authorities Regional government Central government	
	Non-resident sector	S2	Rest of the world
		S21	European Union (EU)
S211 S212		EU countries Institutions of the EU	
S22		Third countries and international institutions	

2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

Table 3

National sector classification	National sectors		Sectors in the ESA 95		ECB sector classification
Money-creating sector	NBS		S121 Central bank	S12 Financial corporations	Money-creating sector
	CIs		S122 Other monetary financial institutions		
Money-holding sector	Financial institutions and corporations: – public, – private, – under foreign control.		S123 Other financial intermediaries, except insurance corporations and pension funds	S11 Non-financial corporations	Money-holding sector
			S124 Financial auxiliaries		
	Insurance corporations: – public, – private, – under foreign control.		S125 Insurance corporations and pension funds		
	Non-financial corporations: – public, – private, – under foreign control.		S14 Households		
	Households (small businesses) Consumers		S15 Non-profit institutions serving households		
	Non-profit institutions serving households				
Money-neutral sector	General government	Central government	S1311 Central government	S13 General government	Money-neutral sector
		State government	S1312 State government		Money-holding sector
		Local government	S1313 Local government		
		Social security funds	S1314 Social security funds		
Non-resident sector	Non-resident sector		S211 EU countries	S2 Rest of the world	Non-resident sector
			S21 European Union		
			S212 Institutions of the EU		
			S22 Third countries and international organisations		

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

- The Banking Act No. 483/2001 Coll. on Banks and on amendments to certain laws.

In Part One – Basic Provisions:

(1) For the purposes of this Act, a bank is a legal entity with its registered office in the territory of the Slovak Republic, founded as a joint stock company, which:

- accept deposits and
- provides loans

and which holds a banking license to perform activities under a) and b) above. Any other legal form of bank is prohibited.

(2) For the purposes of this Act:

a) a deposit means entrusted funds that represent an obligation towards the depositor to repay them; and

b) a loan means funds temporarily provided in whatever form, including factoring and forfeiting.

(3) In addition to the activities specified in paragraph 1, a bank may carry out the following:

- investments in securities for the bank's own account
- trading for the bank's own or for the client's account

1. in financial instruments of the money market, in Slovak koruna and foreign currencies, including exchange services,

2. in financial instruments of the capital market, in Slovak koruna and foreign currencies.

2.3.2 Definition of other monetary institutions

Act No. 432/2002 dated 18 June 2002, which amends and augments Act No. 385/1999 Coll. on Collective Investment, defines an asset management company as a legal entity whose subject of activity is the gathering of financial resources from the public on the basis of a public offering for the purpose of their investment into assets delimited by the Act, and to create and administer mutual funds of gathered assets and to perform the administration of mutual funds.

There are three types of mutual funds: open-end mutual funds, closed-end mutual funds, and special mutual funds.

Data on the money market funds (MMFs) satisfying the ECB definition are not included in monetary statistics because their share of assets is under 2% of the amount of deposits of the banking sector. The value and structure of assets, portfolio and rate of return are being investigated with the co-operative FMA.

2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

Table 4

As at end-December-2002

Institutions	Number of institutions
NBS	1
Credit institutions	22
Universal banks	17
Branch offices of foreign banks	2
Housing savings banks	3
Other monetary institutions	0
Total	23

2.4 Banking business: general deposits/other products

CIs' general deposits consist of the following: overnight deposits, current accounts, term deposits (deposits with agreed maturity, deposits redeemable at notice), certificates of deposit, savings deposits.

Other banking products follow banking activities and services:

- credit products, such as short, medium and long-term bank loans;
- currency trading and exchange services;
- granting of credits to private and corporate customers;
- consulting in the field of financial management;
- financial leasing;
- investment in securities on the bank's own account;
- securities trading;
- safe deposit boxes;
- debit cards, credit cards, cheques and travellers cheques;
- mortgage banking; and other;
- products of MMFs: shares/units.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main balance sheet items

For 2003, the NBS plans to collect balance sheet items in two ways:

1) The balance sheet items and off-balance-sheet items are divided into summary

accounts according to the chart of accounts, the annually updated accounting procedures from banks, a special Regulation of the MoF of the SR (No. 431/2002, valid from 1 January 2003) and the Regulations of the NBS and the Banking Supervision Division (valid from 1 January 2003).

The main asset items consist of: Cash items; Deposits and credits to the NBS, Foreign-issuing banks and postal banks; Deposits, credits and other claims to other banks; Claims in respect of securities and other items; Credits and other claims to clients; Accounts to public authorities and the funds; Holdings of securities; Fixed assets; Other assets; and Total assets.

The main liability items are as follows: Deposits and credits to the NBS, foreign-issuing banks and postal banks; Deposits, credits and other claims to other banks; Liabilities in respect of securities and other items; Amounts owed to clients; Amounts owed to public authorities and the funds; Securities issued; Reserves; Share capital; Income for the previous years; Profit or loss in the process of approval (+/-); Other liabilities; and Total liabilities.

2) The balance sheet comprises balance sheet items in respect of the Regulation of the ECB of 22 November 2001 concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13).

The main asset items are:

- Cash – containing holdings of Slovak koruna and foreign banknotes and coins in circulation that are commonly used to make payments.
- Claims – this consists of funds lent to borrowers. It includes assets in the form of:
 - Loans,
 - Deposits placed with other banks,

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- Bad debt loans,
- Holding of non-negotiable securities,
- Traded loans,
- Subordinated debt in the form of deposits or loans.
- Debt securities issued – contains debt negotiable securities issued by credit institutions.
- Capital and reserves – comprises the amounts arising from the issue of equity capital to shareholders or other proprietors. It includes:

Claims under reverse repos:

- Equity capital,
- Non-distributed benefits or funds,
- Specific and general provisions against loans, securities and other types of assets.
- Securities other than shares – represents holdings of debt securities.
- MMF shares/units – includes holdings of shares or units issued by money market funds.
- Shares and other equity – includes holdings of securities which represent property rights in corporations.
- Fixed assets – consists of non-financial assets, tangible or intangible, which are used for more than one year.
- Remaining liabilities – consists of financial derivative positions with gross negative market values, amounts payable in respect of suspense items and transit items, accrued interest payable on deposits, dividends to be paid, amounts payable not related to the main banking business, margin payments made under derivative contracts, etc.
- Remaining assets – includes financial derivative positions with gross positive market values, amounts receivable in respect of suspense items and transit items, accrued interest receivable on loans, dividends to be received, claims not related to the main banking business.

The main liability items are:

- Deposits – broken down into:
 - Overnight deposits,
 - Deposits with agreed maturity,
 - Deposits redeemable at notice,
 - Repurchase agreements.
 - MMF shares/units – represents shares or units issued by money market funds.
- Instrument categories, maturity, sector (counterparties) and currency breakdowns have been compiled according to Regulation ECB/13/2001 since January 2003.
- Maturity of instrument categories: these fully cover the requirements of the ECB Regulation ECB/13/2001, Part 2, Table A.
- Currency breakdown: split domestic (SKK), euro; other foreign currencies will be introduced in January 2003. Sector breakdown: the ESA 95.
- Counterparties: Regulation ECB/13/2001, Part 2, Table A.

2.5.2 Breakdowns of the main balance sheet items by instrument/maturity, counterparty and currency

Box 1**Currency in circulation (M0)** includes:

- Currency (banknotes and coins) outside banks.

Money (M1) includes:

- M0;
- Demand/sight deposits in national currency only, broken down by households, enterprises and insurance companies (residents and non-residents).

Quasi-money (QM) includes:

- Term deposits in national currency, broken down by households, enterprises and insurance companies (residents and non-residents): deposits with agreed maturity, savings deposits, deposits not to be converted prior to maturity and/or converted subject to a penalty;
- Deposits held in foreign currency for residents (both sight and term deposits).

Money demand (M2) includes:

- M1;
- Quasi-money.

2.6 Measure(s) of money: definitions and remarks**2.6.1 Definition of money and instrument breakdown of monetary aggregates**

See Box 1.

From January 2003 onwards, the NBS will start to calculate monetary aggregates M1, M2 and M3 according to the ECB's definition; these are also for internal use.

2.6.2 Sector allocation of holdings of negotiable instruments

Not applicable.

2.7 Counterparts of money

See Box 2.

Box 2**Net foreign assets:**

The official reserves of the NBS *plus* foreign assets of the banking sector *minus* foreign liabilities of the NBS, the Government and the banking sector, *minus* State securities issued domestically held by non-residents.

Net domestic assets:

Lending to domestic non-banks (i.e. to general government, enterprises and households), *minus* other items (net).

Credit to general government: claims of the domestic and foreign banking sectors on central government, municipalities, social security funds and the National Property Fund (in the form of granted credits and securities portfolios), *minus* liabilities to the same entities (mainly in the form of deposits).

Credit to households and enterprises (both resident and non-resident) in domestic and foreign currency.

Other items (net):

The difference between other liabilities and other assets in the banking sector balance sheets (for example, payment system accounts, accounts of central banks, accounts of other banks, reserves, capital, provisions, securities issued by the non-banking and non-government sectors, etc.).

2.8 Reserve money

Monetary base = issued currency + banks' reserves (required and excess).

Reserve money = currency in circulation + reserves + bills of the NBS in portfolios of commercial banks.

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

The legal power to collect statistics is established by Part Seven ("Business Documentation") of the Banking Act No. 483/2001 Coll. on Banks, and by amendments to certain laws:

Article 42: Banks and branch offices of foreign banks shall be obliged to produce and present to the NBS returns, notifications and other reports within specified deadlines; the content, form, arrangement, deadlines, method, and pace of their presentation shall be stipulated by the NBS in a decree promulgated in the Collection of Laws. Data and other information on returns, notifications and other reports must be comprehensible, easy to follow, supportable, give a true and fair picture of reported facts, and must be presented in a set time. When

presented returns, notifications and other reports fail to comply with the prescribed methodology, or when reasonable doubts arise as to their correctness or completeness, banks and branch offices of foreign banks shall be obliged upon request to provide the NBS with supporting material and explanation within a set deadline.

2.9.2 Identification of the reporting population (reporting coverage)

See Table 5.

2.9.3 Reporting schemes

- Reporting population: banking sector (CIs).
- Data collected (statements):
 - by the Banking Statistics Section:
 - Full balance sheet (monthly);
 - Profit and loss account (monthly);
 - Statement of credits (monthly);
 - Report on deposits (monthly);
 - Survey of assets and liabilities (every ten days);

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all institutions)
NBS	1	100	28.2
Credit institutions	22	100	71.8
Universal commercial banks	17	100	60.7
Branch offices of foreign banks	2	100	7.5
Housing savings banks	3	100	3.6
Other monetary institutions	0	-	-
Total	23	-	100

- Report on average interest rates on credits and new credits (monthly);
 - Report on average interest rates on deposits and new deposits (monthly);
 - Report on securities held by banks (monthly);
 - Report on interbank credits and deposits (monthly);
 - Report on transactions on non-residents' accounts in SKK (monthly);
 - Report on interest costs and revenues (quarterly);
 - Report on turnover on the interbank money market (every ten days);
 - Report on credits/deposits – structure by branch classification of economic activities in time (annually);
 - Report on credits /deposits – structure by economic sector in regions (annually).
- by the Foreign Exchange Statistics Section:
- Report on foreign exchange transactions in convertible currency (monthly);
 - Report on foreign exchange transactions – structure by territory (quarterly);
 - Report on foreign exchange transactions – structure by currency (quarterly);
 - Report on the foreign exchange position (daily);
 - Report on foreign exchange credits provided to customers – structure by economic sector in convertible currency (monthly);
 - Report on foreign exchange transactions on non-resident accounts in convertible currency (monthly);
 - Report on foreign exchange deposits of customers – structure by economic sector in convertible currency (quarterly);
 - Report on foreign exchange credits and deposits of customers – structure by currency (biannually);
 - Report on foreign exchange credits provided to customers – structure by branch classification of economic activities in convertible currency (annually);
 - Report on foreign exchange credits provided to customers – structure by regions (annually);
 - Report on foreign exchange deposits from and credits to customers – structure by branch classification of economic activities in convertible currency (annually);
 - Report on foreign exchange deposits from and credits to customers – structure by regions in convertible currency (annually);
 - Report on external transactions in SKK (monthly);
 - Report on off-balance-sheet securities (monthly);
 - List of deals on interbank foreign exchange market (every ten days).
- Timeliness: the deadline for delivery of monthly reports is the 15th calendar day following the end of the reference month. Checking, processing and first release occur between the 15th and 20th calendar day.

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- Medium: electronically via the banking statistics system "Status".
- The methodological rules are provided by the Statistics Department of the NBS, while the accounting rules are supplied by the MoF.

2.9.4 Special reporting procedures for the national central bank

Data collected:

1. the balance sheet of the NBS, derived from the NBS's accounting system:

- Frequency: daily, every ten days, and monthly.
- Medium: in electronic form.
- Methodological and accounting rules supplied by the MoF and the NBS.

2. the balance sheet of the NBS (Regulation ECB/13/2001, Table 1), since January 2003.

- Frequency: monthly.
- Medium: in electronic form.

2.10 Data processing and compilation methods

2.10.1 Basis of calculation

The Statistics Department compiles (end-of-period) stock data and calculates differences in stocks.

2.10.2 Revisions

End-of-year data from December and opening data as at 1 January are revised every year.

The published data are considered "preliminary" until the subsequent publication of definitive data. The revised data are

published as "definitive data" during April. The deadline for banks to deliver the definitive data is 31 March in accordance with the Decree of the NBS No. 11/2001 dated 14 December, 2001 on submitting of reports by banks and branches of foreign banks to be submitted to the NBS. The data are revised on the basis of audits. Any other changes are implemented by the NBS in the month after the statistical treatment of the data.

2.10.3 Derivation of flow statistics

The statistical returns system is based on the complete statistical survey and its accuracy depends on that of the accounting system. The breaks in time series and important changes in the reporting population are analysed and described for data users within the NBS.

Guidelines for reclassification: can be found in Part Two of NBS Decree No. 3 dated 3 March 1995, which lays down the rules for the evaluation of bank claims and off-balance-sheet liabilities in terms of risk exposure, and for the earmarking of funds to mitigate against such risks (under Classification of Claims and Off-Balance-Sheet Liabilities).

• Information

Revaluation adjustments is contained in the Regulation of the MoF of the SR No. 65/355/1996, along with Annexes Nos. 3171/1997, 4299/1997 and 18031/1999 on the chart of accounts and accounting procedures for banks, valid from 1 January 2000 (revaluation of securities at market prices).

The Resolution of the Government of the SR No. 908 dated 21 October 1999 determined the banking sector's restructuring, and laid down the rules governing the writing-off of claims by the restructured banks.

Methodological aspects for data collection for the derivation of flows will be prepared during the first half of 2003.

2.10.4 Seasonal adjustment

The Statistics for International Institutions Section has started to produce seasonally adjusted time series of currency in circulation and overnight deposits, at present purely for internal use.

Because of the insufficient length of existing time series, we applied a multiplicative seasonal decomposition method for each one to separate these time series into trend-cycle, seasonal, and random components. To separate trend cycle components, we applied a method using centred moving averages with a length of 12. Another benefit of seasonal decomposition is its simplicity.

Regular publishing of such data and the use of a higher-quality tool (TRAMO & SEATS or X-12-ARIMA) are planned for 2003.

2.11 Publications

2.11.1 First release of data (including medium)

The monthly data are first disseminated within the NBS for internal use up to the 25th calendar day following the end of the reference month via "Status", the banks' electronic banking statistics system.

The public is informed within one month of the end of the reference month, when the data are posted on the NBS's website (www.nbs.sk). The public is informed of this practice by a note in the NBS's monthly "Monetary Survey" publication.

The data are also available on the NBS's website in accordance with the SDDS data categories.

2.11.2 Core weekly/monthly publications

- Assets and liabilities in SKK and foreign currency (monthly, confidential and in shortened form).
- Refinancing and the redistribution of credit:
 - Time of publication: on the 25th calendar day following the end of the reference month,
 - Medium: electronic form, the NBS's website.
- Credits and deposits of commercial banks in SKK and foreign currency (monthly, annually).
- Time series of assets and liabilities in SKK and foreign currency (quarterly).
- Foreign exchange position (monthly): complete version, shortened form, and individually.
- External transactions in SKK (monthly):
 - Time of publication: for monthly publications, up to 35 days after the deadline for data collection.
 - Format: report.
 - Medium: electronic form.
- The Monetary Survey (monthly bulletin):
 - Time of publication: within one month of the end of the reference month.
 - Medium: the NBS's website, hard copy.

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2.11.3 Other statistical publications

Quarterly publications:

- Survey of financial sector developments:
 - Time of publication: on the 25th calendar day following the end of the reference month.

– Medium: electronic form, the NBS's website.

The Annual Report:

- Time of publication: within one month of the end of the reference month.
- Medium: the NBS's website, hard copy.

3 Contacts at the National Bank of Slovakia

Any queries concerning the issues described in this country chapter should be addressed to:

Section of Statistics for International Institutions

Statistics Department
National Bank of Slovakia
Imricha Karvasa I
813 25 Bratislava
Slovakia

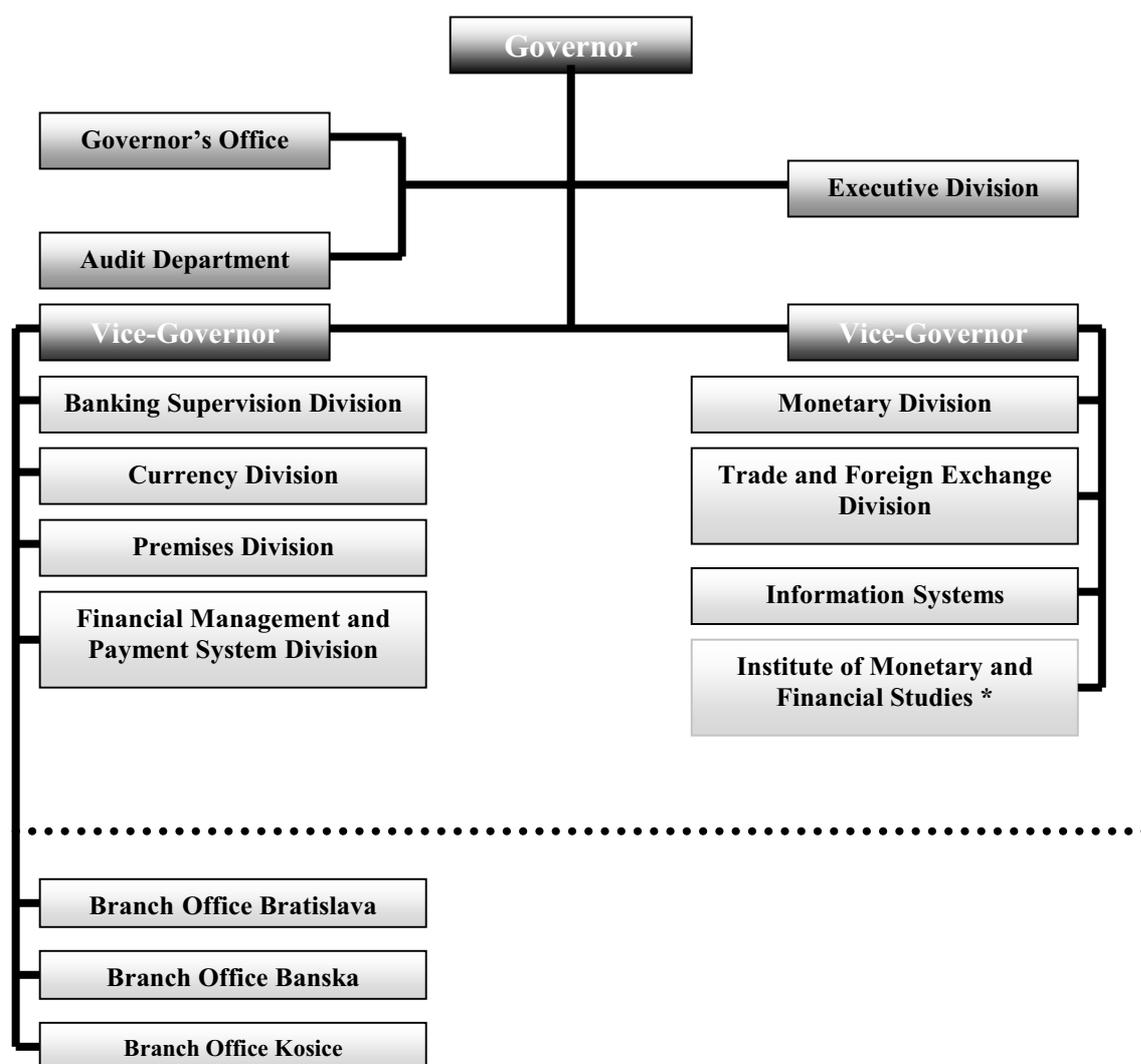
Tel.: +421-2-57872690
+421-2-57872179
+421-2-57872691
+421-2-57872682

Fax.: +421-2-57871166

E-mail: ivana_brziakova@nbs.sk
karol_machacek@nbs.sk
daniela_marekova@nbs.sk
andrea_bernathova@nbs.sk

Annex I

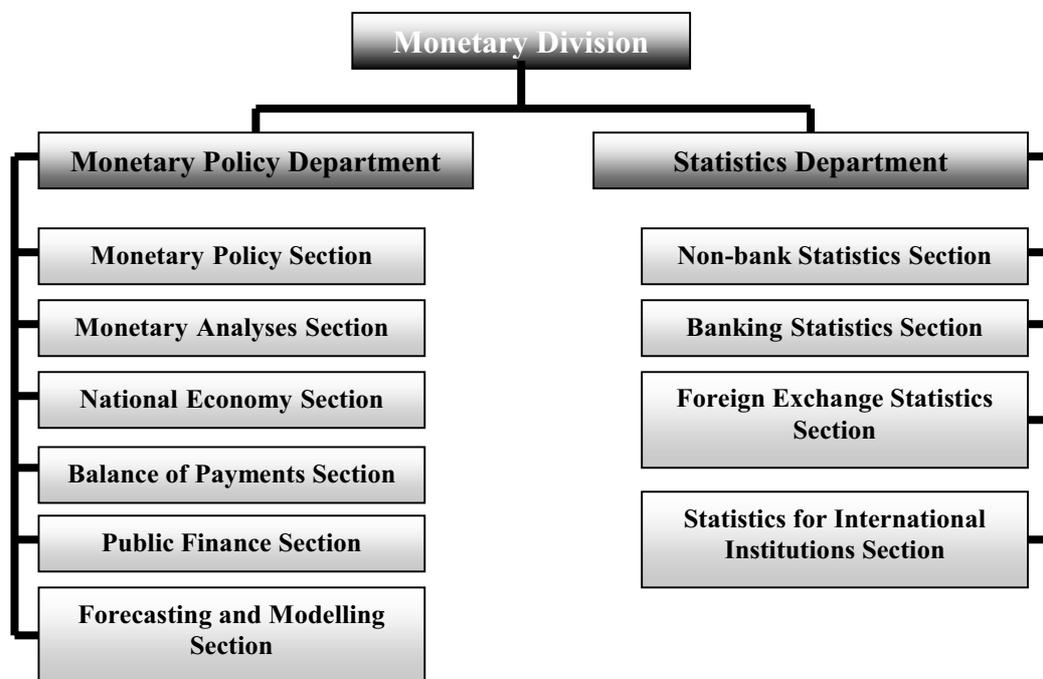
Organisation chart of the National Bank of Slovakia (NBS)



* Independent Department

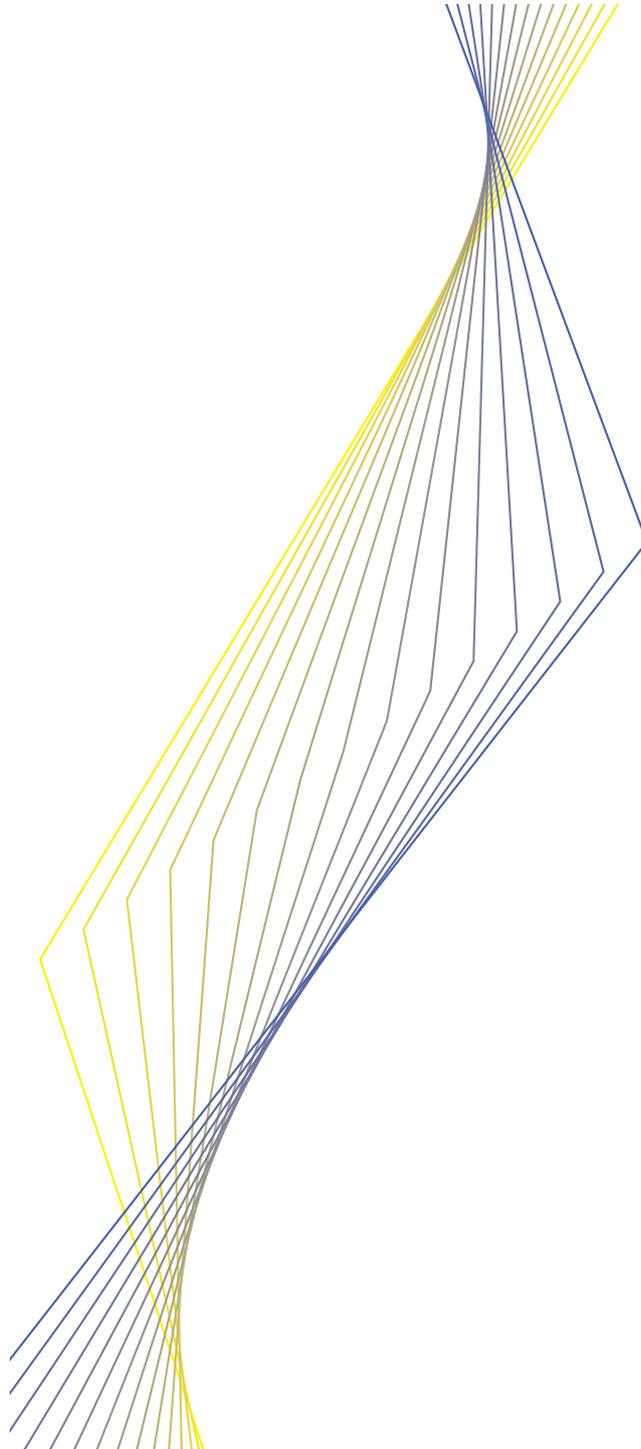
Annex 2

Organisation chart of statistical work at the NBS





EUROPEAN CENTRAL BANK



Slovenia

Slovenia

List of abbreviations

AJPES	Agency of the Republic of Slovenia for Public Legal Records and Related Services
ATVP	Securities Market Agency
AZN	Authority for Insurance Supervision
BIS	Bank for International Settlements
b.o.p.	balance of payments
BS	Bank of Slovenia
ESA 95	European System of Accounts 1995
HKS	savings and loan undertaking
i.i.p.	international investment position
IMF	International Monetary Fund
KDD	Central Securities Clearing Corporation
MF	Ministry of Finance
MFI	Monetary financial institution
NPISHs	non-profit institutions serving households
SIT	Slovene tolar
SURS	Statistical Office of the Republic of Slovenia

I Legal and institutional background

I.1 Organisational structure

I.1.1 Organisation chart of the national central bank

See Annex I.

The basic organisation chart reflects the functions performed by the Banka Slovenije – the Bank of Slovenia (BS) – as an independent central bank. The competence of the BS includes banking supervision functions.

The national banking law, which regulates the conditions for the establishment, operation, supervision and winding-up of banks and savings banks. It includes provisions on regular monthly reporting by banks to the central bank.

www.sigov.si/mf/angl/zakon/bank_law.htm (English)

- *The Foreign Exchange Act*, Official Gazette No. 23/1999, 8 April 1999

I.1.2 Organisation of the statistical work at the national central bank

See Annex 2.

The Financial Statistics Department is in charge of statistical data collection and the compilation of statistical information, primarily in the field of balance of payments, financial accounts and monetary statistics.

An Act that regulates: (i) transactions between residents and non-residents involving domestic or foreign means of payment, (ii) transactions between residents involving foreign means of payment or transactions whose object is the foreign means of payment themselves, and (iii) unilateral transfers of assets to or from the Republic of Slovenia which do not represent transactions between residents and non-residents.

www.sigov.si/mf/angl/zakon/zdpangl.htm (English)

I.2 Legal background

- *Law on the Bank of Slovenia*, Official Gazette No. 58/2002, 4 July 2002

The law on the central bank, which contains articles explicitly authorising the central bank to collect and process data, related to the performance of functions under this as well as other laws. It also includes articles on the proposed accession of the Republic of Slovenia to the European Union and the introduction of the euro as the monetary unit of the Republic of Slovenia.

- *The Securities Market Act*, Official Gazette No. 56 /1999, 13 July 1999

This act regulates the national securities market. It covers specific responsibilities relating to banks' activities in securities trading, bankruptcy, guaranteed claims of investors, supervision tasks as well as the acquisition of data and information on securities trading.

www.sigov.si/mf/angl/zakon/ztvpan.htm (English)

http://www.bsi.si/html/eng/laws_regulations/zbsl_ang.pdf (English)

- *Law on Banking*, Official Gazette No. 7/1999, 5 February 1999 and *Act on the Amendments and Additions to the Banking Act*, Official Gazette No 59/2001, 19 July 2001

1.3 Institutional aspects

1.3.1 The role of the national central bank

1.3.1.1 Introduction

The Bank of Slovenia is primarily responsible for maintaining price stability, and within this task supports general economic policy with the aim of economic stability. The BS is independent in carrying out the duties and responsibilities deriving from the Law of the Bank of Slovenia. Furthermore, the BS:

- issues banknotes and puts them and coins into circulation,
- conducts monetary policy,
- supervises banks and savings banks, and
- performs other tasks, including managing the information system required to support all the other functions.

1.3.1.2 General responsibilities of the national central bank

Pursuant to Article 152 of the Constitution of the Republic of Slovenia, the Bank of Slovenia is independent and directly responsible to Parliament.

By supervising banks and savings institutions, the BS determines, enforces and controls the system of rules to ensure the safe functioning of banks and savings banks.

The budgetary funds of the central government are deposited with the BS, which also conducts other transactions for the account of the central government, as specified by law.

The BS may not grant overdrafts and other loans and guarantees to the bodies of the Republic of Slovenia, the European Union or its Member States and their regional, local bodies and other public entities. The exceptions to this rule are:

- granting overdrafts and other loans to banks, savings banks and other financial institutions which are owned by the Government,
- financing the liabilities of the Republic of Slovenia to the International Monetary Fund,
- financing the issuing of coins not exceeding the 10% of coins in circulation, and
- intra-day bridging loans granted in favour of the public sector provided that no extension to the following day is possible.

1.3.2 Macroeconomic statistics: main responsibilities of domestic public authorities

1.3.2.1 Main responsibilities of the national central bank in the field of macroeconomic statistics

The Financial Statistics Department is responsible for three main macroeconomic statistical systems: balance of payments (including the international investment position and external debt), financial accounts and monetary statistics, which are all undergoing major changes. The external debt statistics are being adjusted to the new IMF standard, while direct reporting data sources are being strengthened in the international investment position and balance of payments statistics. The quarterly financial accounts have been gradually developing since the responsibility for this statistical field was transferred to the BS. In monetary and banking statistics, a gradual adjustment to the ECB requirements is taking place in monetary financial institution (MFI) balance sheet and interest rates statistics. At the same time the central banking operations department is changing its current required reserve system and moving towards a minimum reserves system.

The Banking Supervision Department collects data for the purpose of prudential supervision in line with European banking directives and

the guidelines of the Basel Committee on Banking Supervision.

The BS sends statistical information to national and international users such as the ECB, Eurostat and the IMF, and publishes such information on hard copy as well as via its internet pages. The BS, in its capacity as a national co-ordinator of the IMF's Special Data Dissemination Standard, also publishes a national internet page on this standard.

1.3.2.2 Main responsibilities of other public authorities in the macroeconomic statistical field and co-operation with the national central bank

The Statistical Office of the Republic of Slovenia (SURS) is responsible for the compilation of national accounts, prices and labour statistics. The SURS, on the basis of the data collected by customs, also compiles

data on the cross-border trade in goods, which is used as an input for the Bank's b.o.p. statistics.

The financial accounts also draw on statistical data on the general government processed by the Ministry of Finance, and information collected by other institutions, such as The Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), which manages business registers and collects annual reports and other data from business entities. Besides the data collected by the AJPES, data from the Securities Market Agency (ATVP), the Authority for Insurance Supervision (AZN) and internal BS data are also used to compile the financial accounts.

1.3.2.3 Overview of statistical data collection and compilation

See Table I.

2 Monetary statistics

2.1 Legal background and statistical standards

2.1.1 National legal aspects

- *Law on National Statistics*, Official Gazette No. 45/1995

This law defines national statistical activities and those entities authorised to perform these activities (including the BS); it also establishes the national statistical council, the national programme of statistical research and various aspects of collecting data and producing national statistics.

- Medium-term Programme of Statistical Research 2003-2007 and Annual Programme of Statistical Research for 2003

The national programme of statistical research, based on the Law on National Statistics (Official Gazette Nos. 45/1995 and 9/2001), consists of a general medium-term

programme (five years) and a detailed annual programme (including subject, purpose, periodicity, date, reporting units and date of dissemination of results). The annual national statistical research programme is divided into regular statistical tasks and developmental ones. The developmental part includes provisions for the harmonisation of national monetary and banking statistics with the ECB's requirements.

- Decree on the introduction and usage of the standard classification of the institutional sectors, Official Gazette No. 57/1998

A regulation introducing the classification of institutional sectors as per the third edition of the European System of Accounts 1995 (ESA 95).

- Law on the Bank of Slovenia, Official Gazette No. 58/2002, 4 July 2002

Table I

Statistical areas:	Money and banking statistics		
	Bank balance sheet statistics/ monetary aggregates and counterparts	Interest rate statistics	Security issues statistics
Collected data	<ul style="list-style-type: none"> – Balance sheets of the banks and savings banks (monthly) – Selected balance sheet items of banks relating to liquidity (daily), used to calculate the base of banks' reserve requirements and the national monetary aggregates (monthly averages) – BS balance sheet (ten days, monthly) – the collected data enable national monetary aggregates to be calculated in line with the ECB's definition 	<ul style="list-style-type: none"> – Average commercial banks' interest rates (monthly) – Average effective commercial banks' interest rates (quarterly) – Interbank money market rates (daily) – BS interest rates (daily, monthly) 	<ul style="list-style-type: none"> – Securities primary market (BS bill issues, Treasury bill issues, general government bond issues, long-term securities issues – public offers – monthly) – Unregulated securities market (monthly turnover) – Ljubljana Stock Exchange (turnover, capitalisation, indices – daily, monthly) – Foreign portfolio investments (purchases and sales of securities by foreign investors – daily, monthly) – Register of Securities and Issuers, Book of Shareholders (monthly) – Securities Portfolio Analysis by Sectors (quarterly) – Portfolio Investments Abroad (monthly)
Collecting agents	BS	BS	ATVP, KDD, Ljubljana Stock Exchange, MF BS
Users	BS, international institutions, the general public	BS, international institutions, the general public	BS
Description	<p>Medium of reporting and timeliness:</p> <ul style="list-style-type: none"> – monthly data: local network between banks and central bank (up to sixth working day after the reporting month) – daily data: telephone and fax 	<p>Medium of reporting and timeliness:</p> <ul style="list-style-type: none"> – quarterly data: paper (25th calendar day after the reporting quarter) – monthly data: electronic, paper and fax (up to six working days after the reporting month) – daily data: electronic, telephone and fax 	<p>Medium of reporting:</p> <p>e-mail, internet</p>

Table I (continued)

Statistical areas:	Reserve base	Financial accounts	Balance of payments	Prudential supervision
Collected data	<ul style="list-style-type: none"> – Report on calculated mandatory reserves based on average deposit liabilities (monthly) – Report on mandatory reserve performance (monthly) 	<p>Main source:</p> <ul style="list-style-type: none"> – special reporting forms (questionnaires) covering information on assets and liabilities of non-financial and financial corporations, general government, NPISHs and partly households (AJPES) <p>Supplementary sources:</p> <ul style="list-style-type: none"> – i.i.p. and b.o.p. (BS) – Monetary statistics (BS) – Financial markets statistics (BS) 	<ul style="list-style-type: none"> – Payments to and from non-residents (one-monthly and five ten-day reports by commercial banks containing individual, daily and ten-day data) – Transactions of enterprises with non-residents (monthly) – Credit transactions between residents and non-residents (individuals) – Claims and liabilities on short-term trade credits (monthly) – Investment of banks and enterprises to and from foreign countries (annually) – Indirect affiliated investment of enterprises in foreign countries (annually) – Indirect affiliated investment from foreign countries in enterprises (annually) 	<ul style="list-style-type: none"> – Banks' equity (quarterly) – Risk-adjusted balance sheet and off-balance-sheet commercial banks' assets (quarterly) – Claims and liabilities to natural persons (quarterly) – Large exposures (quarterly) – Investment in stocks of non-financial institutions (quarterly) – Average assets and liabilities interest rates (quarterly) – Expected SIT inflows and outflows of largest depositors (daily) – Deposits of 30 largest depositors (monthly) – Investment in stocks (semi-annually) – Various data (annually)
Collecting agents	BS	AJPES, BS, KDD, ATVP, MF, AZN	Customs via SURS (goods) BIS (resident deposits in foreign countries for i.i.p.) BS (all other categories)	BS
Users	BS, international institutions	Eurostat, BS	BS, international institutions, the general public	BS
Description	<p>Medium of reports:</p> <ul style="list-style-type: none"> – local network between banks and central bank <p>Timeliness: first working day after the reporting month</p> <p>Data serve mandatory reserve purposes only</p>	<p>Medium of reports: electronic and in paper form</p> <p>Timeliness: for the main source, not yet determined (first reporting is due in 2003)</p>	<p>Medium of reports:</p> <ul style="list-style-type: none"> – local network between banks and central bank – e-mail, diskettes, paper <p>Timeliness: for b.o.p., up to 40 days after month-end; for i.i.p., to 30 June of the following year.</p>	<p>Medium of reports:</p> <ul style="list-style-type: none"> – mostly paper – facsimile and e-mail (daily data) – diskettes

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Law on the central bank, which makes BS responsible for the collection, processing and dissemination of data and information in order to support all functions required by this and other laws.

- *Law on Banking*, Official Gazette No. 7/1999 and Act on the Amendments and Additions to the Banking Act, Official Gazette No 59/2001

National banking law with provisions on regular monthly reporting by banks and savings banks to the central bank.

- *Decree on books and business reports of the banks and savings banks*, Official Gazette Nos. 24/2002 and 52/2002

A decree prescribing the manner of reporting of banks to the central bank and the Chart of Accounts prescribed for the reporting of banks.

- *Directive on transmission of the monthly reports on bookkeeping balances of the accounts*, sent to banks on 5 April 2002

Detailed instructions for the reporting of banks.

2.1.2 Statistical standards followed

National monetary statistics are based on IMF standards, namely the IMF Guide on Money and Banking Statistics (1984) and, as from 2000, the IMF Manual on Monetary and Financial Statistics. The balance sheet items in the Monthly Bulletin (national statistics) also reflect the ESA 95 definitions of sectors (described in detail below). Since 2000 a gradual adjustment to the ECB standards (especially ECB/2001/13, with its correction and corrigendum, and ECB 2002/5) has been taking place, which already enables the calculation of harmonised monetary aggregates and their counterparts. Slovenian accounting standards in banking mostly correspond to international accounting standards. For the purposes of dissemination,

the IMF's Special Data Dissemination Standard (SDDS) has been followed since its introduction in 1997.

2.2 Concepts and definitions

2.2.1 Statistical definitions: economic territory and residency principles

Economic territory, according to the Decree on the introduction of standard classification of institutional sectors (Official Gazette No. 56/1998, 7 August 1998), includes:

- Geographic territory administered by a government where persons, goods, services and capital move freely;
- Any free zones, including bonded warehouses and factories under customs control;
- National airspace, territorial waters and the continental shelf lying in international waters, over which the country enjoys exclusive rights;
- Territorial enclaves outside the geographic territory which are used under international treaties or agreements between states by general government agencies of the country (embassies, consulates, military bases, scientific bases, etc.);
- Deposits of oil, natural gas, etc. in international waters outside the continental shelf of the country which are exploited by units resident in the territory as defined in the preceding sub-paragraphs.

The economic territory of Slovenia does not include parts of the geographic territory of Slovenia used by general government agencies of other countries, by the institutions of the European Union or by international organisations under international treaties or agreements between states.

Residents are defined as units involved in institutional, local or homogeneous

production, and which have a centre of economic interest on the territory of the country.

All other persons are defined as non-residents of the Republic of Slovenia. This means specifically:

- natural persons without a permanent address in Slovenia, except those who have an official permit to work in Slovenia for six months or more;
- natural persons with a permanent address in Slovenia who have an official permit to work or live abroad;
- legal persons with a registered address abroad, except diplomatic, consular and other entities financed by the Slovenian government, Slovenian citizens employed there and members of their families;

- diplomatic, consular and other representative bodies of foreign governments and international organisations, together with citizens of other countries employed there, and members of their families;

- representative offices and branches of foreign enterprises located in Slovenia, except for their permanent production facilities in Slovenia;

- representative offices and branches of Slovenian enterprises located abroad because of their permanent production facilities abroad.

2.2.2 Sectors in monetary statistics

2.2.2.1 Definition and classification of sectors in monetary statistics

See Table 2.

Table 2

Sector classification	Sectors	Definitions	
Money-creating sector	Bank of Slovenia (BS)	Central bank	
	Commercial banks	Deposit money banks that accept sight deposits and have banking licences granted by the BS. Only domestic banks owned by residents or non-residents are included	
Money-holding sector	Non-monetary financial institutions	Savings banks, savings and loan undertakings	
		Other financial institutions: other financial intermediaries, such as mutual funds, investment funds and financial leasing companies and financial auxiliaries (securities brokers, stock exchanges), insurance corporations and pension funds	
	Non-financial enterprises	Legal persons – market producers of goods and non-financial services	
	Households	Resident individuals as consumers and resident individuals as sole proprietorships, and partnerships being market producers and having no independent legal status	
	General government	Central government	Administrative departments and central government agencies
		Local government	Local administration and local government agencies
		Social security funds	Health fund and pension and disability fund
Non-profit institutions serving households	Clubs, political parties, trade unions, churches or religious societies, humanitarian and charity organisations, professional societies.		
Non-resident sector	Non-residents	See 2.2.1.	

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The savings banks and savings and loan undertakings (HKSSs) are very small monetary institutions whose balance sheet aggregates have never exceeded 2% of the balance sheet of the commercial banks. Because of consolidation problems (different breakdown of their accounts in comparison to the banks), their balance sheets are not included in the national money-creating sector, but instead are classified with the other financial intermediaries in the money-holding sector.

General government or central government are not considered to be part of a national money-neutral sector because of the significant amount of general government deposits within the monetary aggregates, and the fact that there is practically no financing of the Government by the central bank.

2.2.2.2 Comparison between the sectors of the national economy and the ESA 95

The comparison between the sectors is illustrated in Table 3.

2.3 Population of monetary institutions

2.3.1 Definition of a credit institution (bank) and categories of credit institutions

A commercial bank is a joint-stock company with a head office in the Republic of Slovenia that has obtained authorisation from the Bank of Slovenia to provide banking services (*Law on Banking*, Official Gazette No. 7/1999 and Act on the Amendments and Additions to the Banking Act, Official Gazette No 59/2001).

Under the 1999 Banking Act, banks and savings banks in Slovenia are authorised to provide banking services (taking deposits from private individuals and legal persons and granting credits for their own account) as well as selected financial services.

Banks may offer other financial services, subject to authorisation by the BS, provided they meet the requirements stipulated under the law governing other designated financial services. Other financial services foreseen under the Banking Act are the following financial services:

1. factoring;
2. financial leasing;
3. issuing of guarantees and other commitments;
4. lending operations including consumer credits, mortgages and financing of commercial transactions;
5. trading in foreign means of payment, including foreign exchange transactions;
6. trading in financial derivatives;
7. collection, analysis and dissemination of information on the credit rating of legal persons;
8. mediation in sales of insurance policies in accordance with the law governing the insurance sector;
9. issuing and administering of payment instruments (e.g. payment and credit cards, traveller's cheques, bills of exchange);
10. safe custody service;
11. mediation in the conclusion of loan and credit transactions;
12. services in connection with securities according to the law governing the securities market;
13. management of pension or investment funds in accordance with the law governing pension and investment funds; and
14. the performance of payment transactions.

Table 3

National sector classification	National sectors	Sectors in the ESA 95		ECB sector classification	
Money-creating sector	Bank of Slovenia	S121 Central bank	S12 Financial corporations	Money-creating sector	
	Commercial banks	S122 Other monetary financial institutions			
Money-holding sector	Savings banks, savings and loans undertakings	S123 Other financial intermediaries, except insurance corporations and pension funds	S12 Financial corporations	Money-holding sector	
	Other financial institutions	S124 Financial auxiliaries			
		S125 Insurance corporations and pension funds			
		S11 Non-financial corporations			
	Non-financial enterprises	S14 Households	S13 General government		Money-neutral sector
	Households	S15 Non-profit institutions serving households			
	Non-profit institutions serving households	S1311 Central government			
Central government	S1312 State government	Money-holding sector			
n.a.	S1313 Local government				
Local government	S1314 Social security funds				
Non-resident sector	Non-residents	S211 EU countries	S2 Rest of the world	Non-resident sector	
		S212 Institutions of the EU			
		S22 Third countries and international organisations			

A savings bank may only provide banking and other financial services (with some exceptions) in SIT (except in the exchange of foreign currencies) and only for natural persons, individual entrepreneurs, small companies and persons who do not perform

business activities (Banking Law, Official Gazette No. 7, 5 February 1999).

Savings and loan undertakings are small institutions established by the Law on Savings and Loan Undertakings (Official Gazette Nos.

Table 4*As at end-December 2002*

Institutions	Number of institutions
National central bank	1
Credit institutions	50
Commercial banks	20
Savings banks	2
Savings and loan undertakings	28
Other monetary institutions	
Total	51

14 and 30, 1990) that provide services to a limited circle of clients, physical persons and civil legal persons. A transitional period of five years has been granted to these savings and loan undertakings through the negotiations with the European Union to implement capital and other requirements in line with the European banking directives that apply to credit institutions. The majority of savings and loan undertakings opted to join the Association of Savings and Loan Undertakings (as financial institutions), while the remaining (an estimated 17) savings and loan undertakings are obliged to harmonise their requirements as above. Savings and loan undertakings failing to achieve full compliance by February 2004 will be liable for compulsory (forced) liquidation.

2.3.2 Definition of other monetary institutions

Not applicable.

2.3.3 Central government units with deposit liabilities included in measures of money

Not applicable.

2.4 Banking business: general deposits/other products

The primary banking business products comprise different kinds of SIT loans, foreign currency loans, demand deposits, time deposits, foreign currency deposits and securities. A list of other products is provided under item 2.3.1.

2.5 Statistical balance sheets of the monetary institutions

2.5.1 Description of the main items of the balance sheet

ASSETS		LIABILITIES	
Domestic assets	Overdrafts and advances	Domestic liabilities	Deposits
	Loans		Other foreign currency liabilities to government*
	Commercial paper and bonds		
	Shares and participations		
Foreign assets	Foreign currency	Foreign liabilities	Deposits
	Deposits		Borrowings
	Loans		Other foreign liabilities
	Securities		
Other assets		Other liabilities	Securities issued
			Capital and reserves
			Other liabilities

*) Liabilities of (some) banks for the undue foreign debt of the former Socialist Federal Republic of Yugoslavia.

2.5.2 Breakdown of the main balance sheet items by instrument/maturity, counterparty and currency

ASSETS		LIABILITIES	
Instruments	Counterparties	Items	Counterparties
<i>Domestic assets</i>		<i>Domestic liabilities</i>	
Overdrafts and advances	Domestic sectors (breakdown as in table 2)	– Deposits	Domestic sectors
Loans	Domestic sectors	SIT (demand deposits, savings deposits, time deposits (up to 30 days, 31-90 days, deposits redeemable at notice up to 90 days, 81-180 days, 181 days-1 year, 1-2 years, more than 2 years, restricted deposits)	
– SIT loans (up to 30 days, 31-90 days, 81-180 days, 181 days-one year, one year and more)			
– Foreign currency loans (short term, long term)	Domestic sectors	– Foreign currency deposits	Domestic sectors
Commercial papers and bonds	Domestic sectors	Other foreign currency liabilities to government	Central government
Shares and participations	Domestic sectors		
<i>Foreign assets</i>		<i>Foreign liabilities</i>	
Foreign currency	Broken down into non-resident banks and non-monetary institutions	Deposits	Broken down into non-resident banks and non-monetary institutions
Deposits		Borrowings	
Loans		Other liabilities	
Securities			
<i>Other assets</i>		<i>Other liabilities</i>	
	Domestic sectors National Bank of Yugoslavia	Securities issued	
		Capital and reserves	
		Other liabilities	

2.6 Monetary aggregates: definitions and remarks

2.6.1 Definition of money and instrument breakdown of monetary aggregates

Box 1

Monetary aggregate M1 includes:

Currency in circulation;
SIT demand deposits of central government, enterprises and non-monetary financial institutions with the Bank of Slovenia;
SIT demand deposits with banks.

Monetary aggregate M2 includes:

M1;
SIT time deposits of central government with the BS;
SIT savings and time deposits with banks;
Deposits of banks in liquidation transferred to other banks.

Monetary aggregate M3 includes:

M2;
Foreign currency deposits of households with domestic banks;
Foreign currency deposits of legal entities with domestic banks.

2.6.2 Sectoral allocation of holdings of negotiable instruments

There are no other transferable negotiable instruments besides banknotes and coins (banknotes issued by the central bank and coins by the Government) included in the monetary aggregates. The amount held by the public is determined as the difference between the banknotes and coins issued and those held by the monetary institutions. Further allocation of banknotes and coins among the sectors is not determined.

2.7 Counterparts of money

Box 2

Net foreign assets

Foreign assets less foreign liabilities

Claims on general government

Claims on central government and other general government (breakdown by sector available)

Claims on private sector

Claims on non-financial enterprises, households and non-monetary financial institutions (breakdown by sector available)

Other items net

Other assets less other liabilities (securities, other foreign currency liabilities to central government, restricted deposits and other liabilities)

The classification available on credit to domestic residents (by sector, type and maturity) is as follows:

- By sector: Non-monetary financial institutions, households, non-financial enterprises, non-profit institutions, central government, local government, social security funds
- By type: SIT and foreign currency loans, overdrafts, other short-term loans, long-term loans for production, investment and housing loans, and other long-term claims
- By maturity: (SIT loans: up to 30 days, 31–90 days, 81–180 days, 181 days – one year, one year and more; foreign loans: short-term, long-term)

2.8 Reserve money

Base money is the sum of banknotes in circulation, banks' settlement accounts, overnight deposits, and other SIT demand deposits (savings banks' settlement accounts, savings banks' and savings and loan undertakings' reserve accounts, plus the transactional accounts of central and local government).

2.9 Reporting procedures

2.9.1 Powers to collect statistics and collecting agents

- *Law on the Bank of Slovenia*, Official Gazette No. 58/2002, 4 July 2002
- *Law on Banking*, Official Gazette No. 7/1999, 5 February 1999 and *Act on the Amendments and Additions to the Banking Act*, Official Gazette No 59/2001, 19 July 2001
- *Decree on books and business reports of the banks and savings banks*; Official Gazette Nos. 24/2002 and 52/2002 (including *Chart of accounts for banks and savings banks*)
- *Directive on the transmission of the monthly reports on bookkeeping balances of the accounts*; sent to banks on 5 April 2002.

2.9.2 Identification of the reporting population (reporting coverage)

Two savings banks and 28 savings and loan undertakings (HKS) report to the Bank of Slovenia on a regular basis. However, these are not consolidated with banks as credit institutions in the national monetary statistics, as described in section 2.2.2.1. By 2004, however, these institutions will have come into line with the provisions of the Banking law, as explained in section 2.3.2.

2.9.3 Reporting schemes

Balance sheet items of commercial banks, savings banks and HKSs:

- reporting population: 21 banks, three savings banks and 35 HKSs (100% coverage);
- all balance sheet items;
- monthly reporting; data are sent up to six working days after the end of the reporting month;
- accounting data are mostly in line with international accounting standards;
- medium of reporting: all commercial banks and two savings banks use the local network between banks and the central bank; one HKS uses e-mail with a PGP key; and the rest of the HKSs use diskettes.

Selected balance sheet items on the daily liquidity of commercial banks:

- reporting population: 21 commercial banks (100% coverage);
- selected items;
- daily reporting;
- accounting data mostly in line with international accounting standards;
- medium: telephone or fax.

Table 5

As at end-December 2002

	Reporting institutions		Total balance sheet
	Number	% (of the total category)	% (of the total balance sheet of all the institutions)
National central bank	1	100	25
Credit institutions	50	100	75
Other monetary institutions	0	-	-
Total	51	-	100

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2.9.4 *Special reporting procedures for the national central bank*

Balance sheet items for the Bank of Slovenia:

- full balance sheet;
- monthly reporting; at the latest ten working days after the end of the reporting month;
- accounting data mostly in line with international accounting standards;
- internal reporting system.

Ten-day balance sheet items for the BS:

- aggregation from full balance sheet;
- ten-day reporting for the tenth, twentieth and last day of the month; fifth working day after the reporting period;
- accounting data mostly in line with international accounting standards;
- internal reporting system.

2.10 **Data processing and compilation methods**

2.10.1 *Basis of calculation*

The collected complete set of balance sheet data for banks, savings banks, savings and loan undertakings and the Bank of Slovenia (including ten-day data) show the end-of-the-month data.

Selected balance sheet items of banks and the central bank are collected on a daily basis in order to derive the monthly averages of base money and monetary aggregates.

2.10.2 *Revisions*

- Changes of methodology are announced in advance;

- The data for December of the preceding year are corrected after the annual account has been derived;

- Corrected data are marked when first published in the monthly bulletin;
- Any changes to data are accompanied by a comment, when the nature of the change demands explanation.

2.10.3 *Derivation of flow statistics*

The following sections apply to changes in the time series of stocks, as no flows are published in the Slovenian monetary statistics.

Slovenia complies with the IMF's SDDS, and provides information on revisions as well as advance notice of major changes in methodology.

To date, there have only been two major breaks in the monetary statistics series.

The first was due to a major change in the balance sheet scheme for banks at the beginning of 1994. In this case, there was a three-month period of simultaneous reporting of both the new and the old approaches, which permitted an adjustment of past series already published, as well as of those reported to the IMF. All changes were marked and explanatory notes added.

The second was the introduction of the ESA 95-compliant sectorisation in the bank balance sheet scheme in April 1999. The explanation for the changed data series resulting from this introduction is provided in the Monthly Bulletin of the Bank of Slovenia.

Major changes in data can occur for various reasons (including eventual reclassifications); these are normally explained, whereas the allowed or prescribed revaluation adjustments and write-offs/write-downs are not commented upon.

2.10.4 Seasonal adjustment

The seasonal adjustment of time series from the relational database using the TRAMO/SEATS method is automated in the BS: seasonally adjusted series on national monetary aggregates are published in the charts of the monthly bulletin.

2.11 Publications

2.11.1 First release of data (including medium)

The first release of Bank of Slovenia ten-day balance sheet to the public:

- sources: internal reporting system;
- subject: main aggregates of the balance sheet of the central bank;
- timeliness: fourth working day after the reporting period
- published on: internet page:

http://www.bsi.si/html/eng/financial_data/hit/bilanca_bs_dekadna.html(English)

The first release of the BS monthly balance sheet to the public:

- source: internal reporting system;
- subject: main aggregates of the central bank balance sheet;
- timeliness: in the middle of the month after the reporting month;
- published on: internet page:

www.bsi.si/html/eng/financial_data/hit/bilanca_bs_mes.html (English)

The first release of the consolidated balance sheet of the monetary system to the public:

- sources: monthly reports of banks and internal reporting system;
- subject: main aggregates of consolidated banking sector balance sheet;
- timeliness: one month after the reporting month;
- published on: internet page:

www.bsi.si/html/eng/financial_data/hit/mon_survey.html (English)

2.11.2 Key weekly/monthly publications

Details on the Monthly Bulletin:

- sources: reports, described above;
- main monetary aggregates, consolidated balance sheet of monetary system; ten-day and monthly balance sheet of the Bank of Slovenia, balance sheet of deposit money banks, declared monthly interest rates of commercial banks.
- published as: PDF file and print version, issued in the second half of the month;
- PDF file at www.bsi.si/html/eng/publications/bulletins/index.html (English),
- Monthly Bulletin printed version (English, Slovene).

2.11.3 Other statistical publications

There are no other regular statistical publications containing monetary statistics in Slovenia.

Slovenia

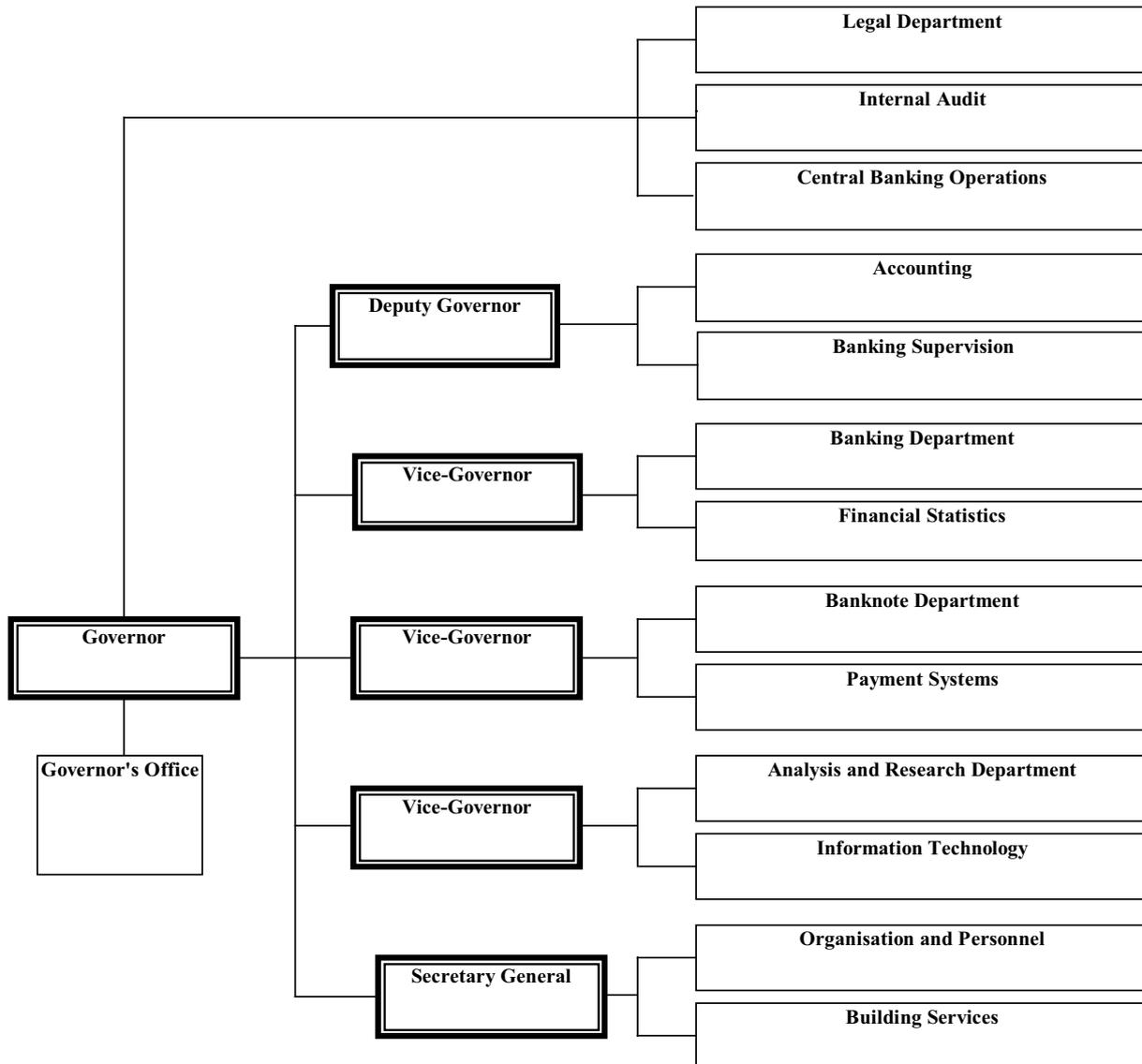
3 Contacts at the Bank of Slovenia

Any queries concerning the issues described in this country chapter should be addressed to:

Bank of Slovenia
Financial Statistics Department
fs@bsi.si
Slovenska 35
1505 Ljubljana
Slovenia
Phone: +386 (1) 4719000
Fax: +386 (1) 2515516, +386 (1) 2515541
Telex: 31214 BS LJB SI
E-mail: bsl@bsi.si
WWW: <http://www.bsi.si/>

Annex I

Organisation chart of the Bank of Slovenia



Annex 2

Organisation chart of the Statistics Department of the Bank of Slovenia

